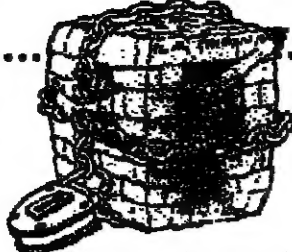


Weekend FINANCIAL TIMES

Weekend FT
Prisons—
right or wrong?
SECTION II



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World Business Newspaper

WEEKEND JUNE 1/JUNE 2 1996

Bulgarian bank may default on bonds worth Y5bn

The likelihood of a default on Y5bn (\$47m) in bonds issued by Bulgaria's Mineralbank increased sharply when Dimitar Kostov, Bulgarian finance minister, said that the government was under no obligation to cover the bank's debts. The default would come as a shock to Japanese investors who have been heavy buyers of yen-denominated bonds issued by foreign borrowers over the past year. Page 24

France Télévision chief resigns: The head of France Télévision, controller of the country's two public broadcasting networks, resigned after growing public criticism. Page 24

Schering, the German pharmaceuticals company, is set to expand its fertility and hormone division after announcing it was buying a 74.9 per cent stake in Jenapharm, eastern Germany's only profitable pharmaceuticals group. Page 8

Italian PM wins final confidence vote

Romano Prodi (near left) embraces other ministers after his government won a vote of confidence from Italy's lower house of parliament, completing the process of parliamentary approval. The prime minister promised to accelerate the announcement of a mini-budget for 1996. The Bank of Italy warned Mr Prodi it would not cut interest rates unless the new government cut the country's budget deficit. In an address to the central bank's annual assembly, Antonio Fazio, the governor, also forecast that Italian economic growth could halve to less than 1.5 per cent this year, lower than official forecasts. Page 2

Siemens of Germany expects to triple its business in the Spanish telecommunications equipment sector as a result of an agreement signed with Spain's Amper group. Page 8

Royal Bank of Scotland has exercised options to purchase a further 1.04m shares in Banco Santander for \$31m (\$47m) taking its stake in Spain's largest banking group to 4.91 per cent. Page 8

KHD is upbeat on survival prospects: Kföcker-Humboldt-Deutz, the German engineering group facing bankruptcy after the discovery of losses of DM650m (\$424m) last week, said it was "making good progress on a rescue bid". Page 8

Wall Street falls as US equity market

A late fall in US markets sent shares in London tumbling as inflationary fears grew. The FT-SE 100 share index lost its fragile takeover premium to close flat on the day and down on the week. Gilt, which had been up half a point earlier in the day, lost half of its strength. Then FT-SE futures were sold back. The index ended 1.1 points up at 3,747.8, down 4.3 points on the week. Source: Reuters

Page 21; Editorial Comment, Page 10; Markets, Weekend FT Page XXII

Albanian parties begin hunger strike: Albanian opposition parties have begun a hunger strike in protest at last weekend's general elections, alleging ballot-rigging and violence. Page 2

Swissair is considering its next move in the acrimonious battle with BAA for control of the duty-free operations of Alders, the department store group. Page 7

Timothy Leary dies: Timothy Leary, Harvard professor, author, lecturer and former prison inmate, died in the US, aged 75. He had cancer. Leary gained fame and infamy in the 1960s for his experiments with psychedelic drugs. The progress of his illness was reported through his home page on the Internet, which recorded his death. Page 3

Russian train crash kills 50: About 50 people were killed near the western Siberian city of Kemerovo when four freight cars broke loose from a train and crashed into a passenger train.

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Peres ousted as prime minister by tiny margin ■ Arabs fear brake on peace process Netanyahu wins Israeli elections

By Julian Gaze in Jerusalem

Mr Benjamin Netanyahu, Israel's headline rightwing leader, has replaced Shimon Peres as the country's prime minister, a final vote count showed yesterday, in elections that could upset the fragile Middle East peace process. As Mr Netanyahu's victory became clear, Palestinian officials and Arab states warned about the risk of confrontation and violence if Israel's next prime minister carried out his electoral promises which would slow or halt the peace process. The central elections committee said Mr Netanyahu won 50.4 per cent of the 3m votes cast in

Wednesday's election compared with 49.5 per cent for Mr Peres, a wafer-thin victory margin of 29,500 votes. The result will not be official until published in the government gazette on Thursday. In spite of his narrow victory, the new Israeli system of direct elections of the prime minister should make it easy for 46-year-old Mr Netanyahu, Israel's youngest premier, to create a comfortable majority in the 120-member parliament. Mr Netanyahu is expected to form a government with a Russian immigrant party and religious and ultra-orthodox Jewish parties, the big winners in the separate ballot for parliament.

Likud's top officials bare their teeth — Page 3
Life and death decisions for former commander — Page 10

Mr Peres telephoned Mr Netanyahu, congratulated him and promised him a smooth transition although the veteran Labour party leader, who was awarded the Nobel peace prize, vowed to fight any move which would halt the Middle East peace process he had helped to forge. US president Bill Clinton, who backed Mr Peres in the election, also telephoned Mr Netanyahu to congratulate him and invite him to the White House as soon as he has formed a government — a

process which must be completed within 45 days. Mr Netanyahu yesterday visited Jerusalem's Western Wall, Judaism's holiest site, to give thanks for his victory but was silent on the future policies of his government. However, other senior Likud party officials gave a taste of what is to come. Mr Ariel Sharon, tipped as Israel's next finance minister, said he would not meet Palestinian president Yasser Arafat, who he described as a "murderer" and

"war criminal". Mr Sharon, together with Likud MP Mr Uzi Landau, also vowed that Israel would not honour its commitment to complete a military withdrawal from the West Bank town of Hebron, a flashpoint of Arab-Jewish violence. "To defend Jerusalem from explosions, to defend the heart of Tel Aviv, we must not give them another base... as Hebron," Mr Landau said. Senior Palestinian officials, who had been kept quiet by Mr Arafat until it was certain Mr Netanyahu had won, issued stern warnings about the possibility of a return to violence and confrontation if Likud's election platform

was implemented. The platform opposed a Palestinian state, any negotiations on the future of Jerusalem and said a free rein would be given to Israel's security forces in Palestinian areas. Mr Ahmed Qurei, Palestinian architect of the peace accords, said that if the Likud policies were implemented "the region will return to a state of tension and violence, maybe wars". He said the PLO had to re-evaluate its negotiating strategy towards Israel. Syria said Mr Netanyahu should be persuaded to drop his total opposition to returning the Israeli-occupied Golan Heights in exchange for peace.

Japan, S Korea told to co-host the World Cup

Unprecedented decision forces sharing of 2002 football contest

By Jimmy Burns in Zurich, Emilio Terazono in Tokyo and John Burton in Seoul

South Korea and Japan, the two contenders to stage the 2002 World Cup, were told yesterday to co-host the event after a revolt within the executive committee of Fifa, the governing body of world football. The unprecedented decision would force the two historically antagonistic countries to share the responsibilities and the revenue of world football's premier competition. It was also an embarrassment for Mr Joao Havelange, Fifa president, who had backed Japan's bid. At an emotional press conference at an hotel near Fifa's Zurich headquarters, Japanese and South Korean officials embraced. But in Tokyo, Japanese officials

described the co-hosting move as unfair and foresaw serious disputes over which country would host the opening ceremony and the final. Mr Chung Mong Joon, the South Korean delegation head and a Fifa vice-president, said that in addition to co-operating with Japan, he planned to involve North Korea in staging some of the matches to break down political barriers separating the countries. President Kim Young-sam of South Korea sent a congratulatory message to the Fifa executive committee and said the World Cup would "serve as an occasion to further solidify the friendly relations between Korea and Japan". The decision will also force Fifa to begin new negotiations on broadcasting rights for the 2002



Executive revolt: FIFA president and general secretary Joao Havelange and Joseph Blatter (from left), with Lennart Johansson, who warned that the campaign to stage the World Cup in only one of the countries threatened to divide the football world

World Cup. Earlier this year, initial offers were invited from interested parties on the assumption that the competition would be staged in one country. The co-hosting option had gathered momentum in a series of secret meetings of Fifa executive committee members in Zurich this week prior to today's planned announcement on the

divide the football world. The issue of the 2002 World Cup was used by Mr Johansson and a majority of the 21 member executive committee to generate a challenge to the long-running presidency of Mr Havelange, whom they consider autocratic and undemocratic. Mr Johansson described yesterday as "the beginning of a new

era. A day of democracy for Fifa." Another Fifa executive who did not want to be named said that Mr Havelange had suffered a "devastating personal blow" and "serious damage to his campaign for re-election as president in 1998".

IMG in running for Olympicque Marseille, Page 2

N Ireland politics shaken by Sinn Féin election success

By John Kempter and John Murray Brown in Belfast

Northern Ireland's political landscape was shaken last night as Sinn Féin emerged the main beneficiary from elections that will pave the way for all-party negotiations in 10 days' time. Results from the province's 18 constituencies gave the IRA's political wing its best showing since the start of the Troubles 30 years ago, with 15 per cent of the vote. Mr Gerry Adams, Sinn Féin's president, called on the British government to respect his party's mandate and to drop its insistence that the IRA renew its ceasefire as a condition for Sinn Féin participation in the talks. Paradoxically, the outcome represented a boost for the party most vehemently opposed to the holding of elections.

The most ardent advocates, the Ulster Unionists, suffered the biggest setback, although they remained the largest party with 24 per cent, just ahead of the moderate nationalist SDLP at 21 per cent, and the hardline Democratic Unionists who gained 19 per cent. Pressure will intensify on British and Irish ministers to allow Sinn Féin to participate. They will meet next Tuesday in a further attempt to agree an agenda for the round-table discussions which could produce a new constitutional settlement for the province. Mr Adams said on Thursday that he could accept a settlement that fell short of the republican goal of a united Ireland.

Several key political figures in Northern Ireland acknowledged that Sinn Féin's strong performance would make almost impossible any search for a peace deal that excluded Mr Adams's party. The UK prime minister, Mr John Major, reacted to the results by underlining there would be no change in the position agreed by London, Dublin and Washington that a ceasefire remained essential. The 110-seat forum will comprise 10 parties. Each of them will send delegations to the

STOCK MARKET INDICES		
FT-SE 100	3,747.8	(+1.1)
Yield	4.68	
FT-SE Eurotrack 100	1,857.86	(+7.71)
FT-SE-A All-Share	1,853.78	(+0.19)
Nikkei	21,856.19	(+88.84)
New York S&P 500	5,944.65	(-48.78)
S & P Composite	587.85	(-4.04)
LONDON MONEY		
3-mo interbank	6.1%	(same)
Life long gilt fut	104.13	(Sep104)
US DOLLAR		
New York 3-month	1.5823	
London	1.5823	
DM	1.5844	(1.5348)
FF	2.2898	(2.2519)
FF	1.9008	(1.9918)
Y	107.480	(105.243)
E index	85.3	(85.7)
S index	97.9	(same)
Tokyo close	Y 108.57	

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NEWS: EUROPE

Central bank chief says economic growth could halve to less than 1.5% this year

Italian PM warned to cut budget deficit

By Andrew Hill in Milan

The Bank of Italy yesterday warned Mr Romano Prodi, Italy's new prime minister, that it would not cut interest rates unless the new government cut the country's budget deficit.

In his address to the central bank's annual assembly, Mr Antonio Fazio, the governor, also forecast that Italian economic growth could halve to less than 1.5 per cent this year, lower than official forecasts.

Mr Prodi's government yesterday won a vote of confidence from Italy's lower house of parliament, completing the process of parliamentary

approval. The prime minister promised to accelerate the announcement of a mini-budget for 1996. "We must go to the European summit in Florence on June 21 with a precise [budget] strategy," Mr Prodi told deputies.

By tradition, members of the government do not attend the bank governor's address, one of the most important economic appointments of the year. But the speech sent a stark message to the new administration, which includes Mr Fazio's predecessor, Mr Carlo Azeglio Ciampi, as treasury and budget minister.

Mr Fazio suggested that Italy might overrule its target for a budget deficit

of L110,000bn (\$70.5bn) this year by as much as 1 per cent of GDP. Economists said that would imply a corrective mini-budget of between L17,000bn and L20,000bn, more than the incoming government had considered necessary.

"Severe but credible objectives, for this year and for 1997, are essential for the balance of the financial markets and for a further reduction in interest rates," Mr Fazio said.

Since the centre-left's election victory on April 21, equity investors have been hoping for a cut in the official discount rate, which stands at 9 per cent.

But Mr Fazio told his audience of 2,500 Italian bankers, entrepreneurs and trade unionists that inflation, still running at more than 4 per cent in April and May, remained the main target of monetary policy.

To the irritation of the industrialists present, Mr Fazio laid part of the blame for inflation at the door of Italian companies, which he said had maintained profit margins at near-record levels, even though demand was now flagging and the lira was strengthening. "The vicious [inflationary] circle, which affects employment and investment, can and must be broken, with a halt to inflation and, as

happens in other countries, widespread price reductions," he said.

Equities and the lira were stable following the speech and the release of provisional GDP figures for the first quarter, which showed annual growth of 1.2 per cent.

Analysts said that although the governor had lowered hopes for short-term interest rate cuts, a rigorous policy was good for the long-term outlook and for the lira. Mr Bruno Ravelli, an economist with Bank of America in Milan, said: "The fact that the Bank has set a very tough inflation target of less than 3 per cent for next year is positive."

IMG in running for Olympique Marseille club

By Jimmy Burns in Zurich and Andrew Jack in Paris

The International Management Group of sports entrepreneur Mr Mark McCormack is one of two candidates likely to take control of the scandal-ridden French football club Olympique Marseille.

The club's future has been in doubt since the bankruptcy in April last year of the company which controlled it and since the French businessman and politician Bernard Tapie, who controlled the company, was found guilty of charges of match-rigging.

Olympique Marseille confirmed last night that IMG was one of two purchasers being seriously considered in a move which could take place within the next few weeks. The other is Tait, a French textiles group. However, the club stressed the final decision had not been taken, and rested with Mr Jean-Claude Gaudin, the city's mayor.

Control of the football club, which was acquired by Mr Tapie in 1991 and generated liabilities of FF300m (\$38m), was temporarily passed into a special company last May following a commercial court ruling. The city of Marseilles holds just over half the capital, with other stakes held by the regional council and by several business groups.

The offer for the club by IMG forms part of a calculated strategy to extend the company's worldwide sporting interest into the highly profitable and growing business of European football.

While the group's marketing and TV interests span several sporting activities, its football interests have until now been focused on the Far East and South America.

Mr Eric Drossard, IMG's senior vice-president, said his

company was "very interested" in acquiring the club in time for the 1998 World Cup in France, as he hoped this would more than justify the investment that the company will have to make in the acquisition of new players.

The Marseilles stadium is being refurbished and expanded with funds from the French government and will be one of the main venues for the 1998 World Cup.

Company wants to acquire club before 1998 World Cup

IMG expects that it would have to invest at least FF100m in rebuilding the team as one of the top European clubs.

It is understood that the deal to acquire the club will be concluded within the next two weeks, after the completion by IMG of a due diligence report on the club and final meetings with officials in Marseilles.

Olympique Marseille was promoted to the French first division last month, after being twice relegated by the football authorities following its bankruptcy and charges brought against Tapie for rigging the rival French team of Valenciennes to lose a qualifying match for the European cup in 1993.

Reuter adds: Tapie was sentenced yesterday to six months in prison and banned from running a business for 10 years over the management of his luxury yacht Phocée.

He was found guilty of tax fraud, abuse of company assets and bankruptcy.

He also received a total of 3½ years in suspended jail sentences.



Boris Yeltsin: embodies distinctly Russian contradictions

Comeback kid rising in polls

Boris Yeltsin is all things to all men, writes John Thornhill

Mr Joseph Brodsky, the wry Russian poet, once wrote: "Ambivalence, I think, is the chief characteristic of my nation." If so, President Boris Yeltsin must surely rank as his country's most natural politician.

It is the astonishing, and distinctly Russian, contradictions that the man embodies - combined with his ferocious will - which make him such a formidable and flexible campaigner in the contest for the presidential office on June 16.

In a blur of activity this week, the silver-haired Mr Yeltsin demonstrated his political skills to the full.

On Monday, he styled himself as a peacemaker when signing a ceasefire agreement with the Chechen resistance leader in the Kremlin. But the following day he spoke as a triumphalist victor when congratulating Russian troops in the ravaged southern region.

On Saturday, he presented himself as the Soviet-style party manager promising state support for the coal industry, when mingling with the miners in the Arctic coal town of Vorkuta. But he was transformed into an economic liberal when presenting his electoral manifesto in Perm yesterday.

Such stark contradictions have typified Mr Yeltsin's political career. The former Communist party hack, who

once mouthed Marxist-Leninist rhetoric sufficiently well to become a candidate member of the Politburo, later took an axe to the Soviet planned economy and conducted the biggest sale of state assets in history.

The latter-day democrat, who faced down the tanks outside the White House building in the attempted hardline coup of 1991, then sent them back two years later to quell the same uprising.

And the man who flew to the Baltic states in the dying days of the Soviet Union to defend the sanctity of small nations, has ruthlessly crushed the independence aspirations of Chechnya in a brutal war which has killed at least 20,000 people.

"Yeltsin does not have any personal democratic ideology," Mr Vyacheslav Kostikov, the president's former press secretary, wrote in a controversial book earlier this year. "His ideology, his friend, his conscience, his mistress, his passion, is power."

Many political observers dismissed Mr Yeltsin as a spent political force last December as he lay in hospital and languished in the opinion polls with an approval rating of just 6 per cent. The war in Chechnya, the pain of economic reform and the corruption that encrusted his government seemed to have irrevocably sunk his electoral chances.

But through a phenomenal

effort of will Mr Yeltsin has reinvented himself yet again, and it now appears distinctly possible that the 65-year-old politician, who has already lived six years longer than the average Russian man in spite of two serious heart attacks, can yet persuade his competitors that he represents the best hope for their future.

Mr Lev Sukhanov, a close assistant who has stuck with Mr Yeltsin through thick and thin, is confident the president will win.

"When Boris Nikolayevich concentrates his will and decides he wants to do something he is frightening to watch. He thumps the table. He makes people work five times as hard," he says, with a chuckle. "And Boris Nikolayevich badly wants to win."

It might seem surprising that the Russian people could be so forgiving of a politician whose promises seem so transient and whose record in office is so mixed. But not in perhaps to underestimate the politician's disarming candour - and the fear he, and the compliant media, have generated about a return to the communist past.

"I have made mistakes," he told an electoral rally this week. "But I know better than anyone else how to correct them."

Unlike Mr Gennady Zyuganov, the Communist party candidate and chief presidential pretender, Mr Yeltsin also appears to have kept a rapport with the Russian people.

Clutching a microphone or bouquet of flowers in his three-fingered left hand (the result of a youthful experiment with a hand grenade), Mr Yeltsin will plunge into the crowds and vigorously shake voters' hands with his bear-like right paw.

The saturation television coverage has shown him sharing jokes with ordinary people - or, at least, those screened by his bodyguards. He has even danced at a rock concert, without too much obvious embarrassment to those around.

The latest opinion poll suggests Mr Yeltsin has now climbed to 34 per cent support, compared with 22 per cent for Mr Zyuganov. The same polling organisation put them at 23-24 per cent a week ago.

Such polls may be misleading for many reasons: the sample sizes are small and weighted towards pro-reform urban areas; many are conducted by telephone, which excludes poorer Russians; and respondents may still be fearful of expressing disapproval of the powers-that-be.

But there seems little doubt that Mr Yeltsin's campaign has gained considerable momentum this week, giving him an electoral chance few would have credited just a few months ago.

INTERNATIONAL NEWS DIGEST

Klaus favoured in Czech poll

The Czech Republic's 8m voters went to the polls yesterday at the start of two days of voting in parliamentary elections - with the outgoing prime minister, Mr Václav Klaus, strongly favoured to win another four-year term.

The early turnout was heavy in Prague as people cast their ballots before heading for the country, as many do each weekend. Polling stations remained open until 10pm last night and voting continued today between 7am and 3pm. Initial results are expected early tonight.

One of the first to vote was President Václav Havel, who said he was "moved" by the many choices voters had before them and described the election as "a celebration of democracy". Voters cast ballots among 16 parties, though only six are likely to exceed the 5 per cent threshold needed to get into parliament.

Opinion polls have shown Mr Klaus's Civic Democratic party (ODS) with the support of 26 per cent of the electorate and it should again be the biggest party in the 200-seat parliament. The prime minister has campaigned strongly on the theme of continuity after four years of economic reforms that have maintained social peace. The main opposition Social Democrats, with 22 per cent, look set to strengthen their position considerably but are unlikely to be able to form a left-leaning government.

Berlusconi cousin arrested

Mr Giancarlo Foscale, cousin of Mr Silvio Berlusconi and deputy chairman of Fininvest, the former Italian premier's private company, was arrested yesterday as Milan magistrates deepened their investigation into corruption allegations.

Mr Guido Viola, Mr Foscale's lawyer, said his client was alleged to have bribed a manager of Isevelmer, the medium-term lending arm of Banco di Napoli, in return for a preferential loan to a Fininvest finance subsidiary. He said Mr Foscale, who is also chairman of Standa, Fininvest's supermarket chain, was prepared "to clarify the events in question, as far as he remembered them". A former Isevelmer manager was arrested on Thursday night in connection with the same episodes.

One of Fininvest's senior defence lawyers said yesterday that the Isevelmer operation was "entirely normal". The arrest of Mr Foscale may further hamper Fininvest in floating Mediaset, the television and advertising subsidiary, on the Milan stock market, even though he has no direct links with the company.

Advisers say Mediaset is insulated from the probe into alleged falsification of accounts at Fininvest. Consob, the financial watchdog, is likely to decide next week whether to approve Mediaset's prospectus and clear the way for flotation this month.

US judge orders extradition

A US federal judge in Los Angeles yesterday ordered Mr Giancarlo Foscale, the Italian businessman, to be extradited to France on an international arrest warrant issued against him a year ago. Mr Foscale was arrested in Los Angeles last October in response to the warrant, which alleges charges of abuse of corporate funds, forgery, fraud and deception in relation to the \$1.5bn takeover of the MGM film studios which he orchestrated in 1990.

He had previously been living in Rome, ignoring demands to appear before French investigators and extradition requests from both the French and US authorities.

Mr Foscale bought MGM from Mr Kirk Kerkorian, the US financier, largely as the result of a loan from CLBN, the Dutch subsidiary of Credit Lyonnais, the French state-owned bank. Mr Patrick Fievet, the French investigating magistrate, began inquiries into the circumstances of the MGM deal, including charges against Mr Foscale, in 1991.

Hungarian managers dismissed

Hungary yesterday took the unusual step of sacking the entire management and supervisory boards of Antenna Hungaria, its national radio and television transmission company.

APV, the state privatisation agency, said the decision would take effect immediately in the interests of the company's speedy privatisation.

A tender for the company last year attracted just one, low bid while attempts to hold new tenders this year have failed. The management is believed to have opposed rapid privatisation, preferring a capital injection from the state, and had also differed with APV over other aspects of strategy.

Under a media bill passed last year, the company is supposed to extend its transmission capacity to support new private radio and TV stations. But this has been held up by delays in finding a strategic partner for Antenna and the company's own limited resources.

Media liberalisation and the sale of existing frequencies for two TV channels are among the most important reforms on the government's agenda this year. Although Hungary was the pioneer of market-led reforms in the former eastern bloc, it has lagged well behind other countries in privatising TV and radio.

Japan soothes US on insurance

The Japanese government yesterday said negotiations would continue with the US over deregulation of the Japanese insurance market despite the two countries' failure to reach agreement by today's deadline.

US officials have indicated they will take tough action if Japan's powerful life insurance companies are allowed to handle accident insurance through subsidiaries. Washington would consider that to be a violation of a 1994 agreement, a US trade official said. The US had said many times that such a violation would require a "very serious response", he warned. Washington claims entry of life insurance companies into the accident insurance sector would be a "radical change in the business environment" in violation of the 1994 pact. Japan had agreed to avoid "radical" changes when deregulating this sector, where foreign insurance companies have carved themselves a profitable niche.

Doubts on HK growth target

Hong Kong's economy in the first quarter was up about 3 per cent on a year earlier, according to an official report. This cast doubt on the government's full-year target of a 5 per cent rise in gross domestic product.

Despite the relatively weak year-on-year figures in the opening period, Mr K.Y. Tang, government economist, said the 5 per cent target was being maintained.

Economists, however, were sceptical. "The target will be difficult to achieve, and will require a very strong second-half performance," said Mr Ian Perkin, of the Hong Kong General Chamber of Commerce. He expects GDP growth of 4.4-4.5 per cent for the full year. In 1995, GDP rose 4.6 per cent.

The government also maintained an inflation target of 7.5 per cent for this year, against an average inflation rate of 8.7 per cent last year.

Row over curb on China credit

US companies and several congressmen are protesting against a decision by the US Export-Import Bank not to finance sales to China's Three Gorges Dam out of concern for the project's environmental and socio-economic impact.

Mr James Owens, president of Caterpillar, said the decision would undermine US export competitiveness and the company's bid to sell earth-moving equipment for the project. Other US companies requesting Eximbank support are Rotec Industries and Veight Hydrex.

"We do not understand why the White House would position itself squarely against the interests of those whose jobs directly depend on export sales," said Mr Owens. The timing is unfortunate because many pro-business congressmen, who urged the financing, will be expected to fight for the president's renewal of China's Most Favoured Nation status, being put to Congress on Monday.

By David Owen in Paris

The French economy rebounded strongly in the first quarter, with gross domestic product rising by 1.2 per cent after a 0.4 per cent decline in the strike-affected final quarter of 1995.

The unexpectedly big increase was hailed by Mr Jean Arthuis, finance minister, as a sign that "a clear recovery" was in process.

He highlighted what he called the "new progression" in foreign trade, the country's low inflation and the "unprecedented" reduction in interest rates.

But economists were more cautious, saying second-quarter growth was likely to

amount to no more than 0.1 or 0.2 per cent. "The second quarter will be much less good," said Mr Olivier Elie, an economist with Crédit Lyonnais in Paris. He said French households would continue to be "prudent" in their spending decisions.

Many economists, nonetheless, revised up their forecasts of GDP growth for 1996 as a whole to a still indifferent 1.4 or 1.5 per cent, from 1.3 or 1.3 per cent previously.

According to Insee, the national statistics agency, the positive first-quarter result was due in part to the negative effect of December strikes on fourth-quarter 1995 figures. In addition, the winter cold snap had brought an unexpectedly high 7.8 per cent increase in energy production. And the unusually high number of working days was responsible for "about half a point of growth".

Economists drew encouragement from the strong 3.1 per cent quarter-on-quarter increase in industrial investment, although some expressed doubt that this would continue.

But they interpreted the steep reduction in stocks, without which first-quarter growth could have reached a highly impressive 3 per cent, as a negative sign. Ms Patricia Lormeau, a Paris-based economist for Paribas, said it suggested companies did not expect the improvement in demand to continue.

Car sales were particularly strong, with a quarter-on-quarter increase of 19.7 per cent, after a 0.3 per cent decline in the fourth quarter of 1995. First-quarter exports (up 3.3 per cent) rose faster than imports (up 1.3 per cent).

Migration conference backs plan for rights of refugees in CIS

By Frances Williams in Geneva

An international conference on forced migration in the Commonwealth of Independent States ended yesterday with the adoption of a programme to strengthen the rights of millions of refugees and displaced people and to help prevent further mass movements of population.

Mrs Sadako Ogata, United Nations High Commissioner for Refugees, said the programme, though non-binding, would help extend international law to mass migration flows and was a real opportunity to prevent conflict.

More than 9m people in the CIS region have left their

homes since 1989 as a result of conflict, ecological disaster, and the "return" to ethnic homelands of groups deported by Stalin or left stranded by the break-up of the Soviet Union in 1991. Some 60m remain outside their ethnic homelands, posing a potential threat of further large-scale migration.

The programme documents calls on states to observe international humanitarian and refugee law and allow free choice of residence. CIS governments have also agreed to grant citizenship to all former Soviet citizens permanently living in their territory, protect minority rights, allow deported peoples to return,

resolve conflicts peacefully and care for the environment.

However, non-governmental organisations said the plan was too vague and criticised the lack of a clear follow-up and implementation strategy. Follow-up work will be the responsibility of UNHCR and the International Organisation for Migration, reporting to a steering committee due to meet annually for four years.

Mr Arthur Heifon of the New York-based Open Society Institute, said the programme reflected "a lack of commitment and poverty of vision" on the part of western nations. He noted that European governments had rejected proposals to widen the definition of a

refugee to someone fleeing conflict, fearing that this might lead to pressure for them to admit more refugees from the world's "hot spots".

"Such massive and unmanaged population movements may undermine political and economic transformation in the CIS countries and could have far-reaching implications for international security and stability," the action programme says.

More than 80 countries, including all 12 CIS members, endorsed the 31-page plan, drawn up by the conference organisers - UNHCR, the IOI and the Organisation for Security and Co-operation in Europe.

Albanian parties begin hunger strike

By Marianne Sullivan in Tirana

Albanian opposition parties began a hunger strike yesterday, in protest at last week's general elections, alleging ballot-rigging and violence.

The hunger strike by deputies and candidates of the leading opposition Socialist party and some smaller centrist parties comes amid substantial diplomatic pressure on both the opposition and government to work out a compromise in the dispute over Sunday's elections, in which the ruling Dem-

ocratic party led by Albanian President Sali Berisha claimed to have won 95 seats or 67.8 per cent of the vote.

Following last Tuesday's clash between police and opposition protesters in which several opposition leaders were beaten and detained, the Socialist party leader, Mr Sertep Pellumbi, vowed the parties' demonstrations would continue around the country until new elections were held.

Both the European Union and the Organisation for Security and Co-operation in

Europe, which helped monitor the elections, have called on Mr Berisha and his government to organise a partial rerun of the elections. But on Thursday Mr Berisha vowed to press ahead with the second round of voting scheduled for tomorrow, and urged the opposition parties to participate.

The Socialists and other opposition parties have decided to boycott the second round and said they would not take up the five seats they won in the first round.

"People need to begin to start making some compromises," one western diplomat said. "If the opposition could put together some decent proposal, I think Europe and the others would push for it."

Albania's Central Electoral Commission has acknowledged that irregularities took place in three constituencies, but opposition leaders said they were prepared to accept nothing short of new elections.

"It wasn't a partial manipulation," said Mr Namik Dokle, Socialist party leader. "Violations were everywhere."

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PLO leader Arafat branded a 'murderer' and 'war criminal'

Likud's top officials bare their teeth

By Julian O'Connell in Jerusalem

Mr Ariel Sharon, a senior leader of Israel's rightwing Likud party, yesterday gave a chilling first glimpse of how a future government under Mr Benjamin Netanyahu, the party's leader, would deal with Palestinians.

In a long interview on Israel Radio, Mr Sharon, tipped as the country's next finance minister, said under no circumstances would he meet Palestinian president Yasser Arafat, whom he described as a "murderer" and "war criminal".

He also said Israel would not complete its long-delayed military withdrawal from the Israeli-occupied West Bank town of Hebron, a flash-point of Arab-Jewish violence. Under the "Oslo 2" peace accord, co-signed by the US, Israel committed itself to withdrawing from Hebron three months after Palestinian elections held last January.

Mr Sharon's comments came hours before Mr Netanyahu emerged as Israel's next prime minister after a final tally of outstanding ballots. Earlier, Mr Uzi Landau, a Likud member of parliament, also said a Netanyahu government would not withdraw from Hebron, where 415 Jewish settlers live in an Arab town of 110,000.

The first policy statements by senior Likud officials after the election provoked a furious response from PLO officials and advisers.

Mr Ahmed Tibi, adviser to Mr Arafat, said Mr Sharon, the former defence minister, who presided over Israel's disastrous 1982 invasion of Lebanon, was the real "child murderer" and warned that if Mr Netanyahu refused to withdraw from Hebron it would mark a violation of the peace agreements and open the way to confrontation.

Mr Ahmed Qurei, the Palestinian architect of the peace accords with Israel, said: "It is worrisome that Netanyahu will be surrounded by a team hostile to the peace process." The PLO, he said, rejected the

Likud election platform and if it was put into practice it would amount to a "coup d'état against peace", which would send the region back to "a state of tension and violence, maybe wars".

Political analysts said the sharp exchanges were reminiscent of the insult-trading during decades of Israeli-Palestinian conflict.

Mr Netanyahu has indicated he alone will set the policies of the next government. But Mr Sharon, who received the second highest number of votes in Likud party primaries in March, speaks for a wide section of the party.

He dropped his candidacy for prime minister and was critical in brokering an agreement between fractious rightwing groups to join a united front behind Mr Netanyahu's candidacy.

Asked if he would meet Mr Arafat, the former general who was held indirectly responsible by an Israeli inquiry for the slaughter of hundreds of Palestinian refugees by Christian militiamen at Beirut camps in 1983, said: "Arafat is a murderer that murdered intentionally, with premeditation, children, babies, women and elderly people. The most brutal acts of massacre that no nation in the world would forgive. Arafat, according to every criteria, is a war criminal... I will not shake the hand of this murderer."

Mr Sharon also said Mr Arafat indirectly supported Palestinian attacks recently carried out by extremist Islamic fundamentalists.

"We know exactly what his intentions are, what he used to do, how he acted. And in my opinion we absolutely must prepare for when he will continue to stand behind attacks."

On withdrawal from Hebron, Mr Sharon said Israel would maintain absolute control over the parts of the city settled by Jews. "Here, under discussion is a small part of the city, but a part in which Jews have lived for thousands of years. And the overall security responsibility will be in the hands of Israel."

Japanese golf courses land in the rough

The expansive lawn of the Tsukuba Tokyo Golf Club blends in neatly with the countless rice paddies and fruit orchards which dot the quiet university town where it is located at the foot of Mount Tsukuba, just north of Tokyo.

But the peaceful surroundings belie the unhappy fate the club has faced in recent years. More than a fifth of its corporate members have left as recession has taken its toll on costly corporate entertainment and the expensive personal lifestyles that were so popular in Japan during the years of the "economic bubble".

What is worse, Tsukuba Tokyo has had to pay out a total of nearly ¥2.7bn (\$25.71m) in deposit refunds to its former members and could be faced with demands for another ¥2.1bn in refunds over the next five years. The club paid out ¥800m last year alone and expects to shell out a similar amount this year.

But Tsukuba Tokyo is not alone. A large number of such clubs face membership cancellations from increasingly hard-up members. The total amount of refunds which will eventually come due will exceed ¥3.49bn, according to a ministry of international trade and industry survey.

That is more than the estimated ¥7,000bn in bad debts

incurred by the country's troubled housing loan companies, or *jusen*. While it is unlikely the entire amount will have to be refunded, as many golfers will want to keep their memberships, Mr Seiji Takayama, a lawyer who has worked with many golf clubs, estimates that between the years 2000 and 2003 refunds are likely to exceed ¥1,000bn a year.

The problem stems from the "bubble" years, when large numbers of companies went into golf club development. According to the MITI report, 80-100 clubs were opened between 1988 and 1991. More

than 70 per cent of the 1,954 golf clubs which responded to the MITI survey have memberships, and of these, 80 per cent could face demands for refunds from their members.

In the late 1980s, building a golf club seemed a solid business prospect, given Japan's golf-loving population. Many developers funded their club developments by selling memberships at astronomical prices, commonly as high as ¥50m (\$464,000).

To encourage prospective members, a large part of the membership fee was designated a deposit which could be

reclaimed after, typically, 5-15 years. In some cases, the deposit made up about 90 per cent of the membership fee.

For golf club developers, particularly newcomers, the system allowed them to collect the huge sums needed to develop courses in Japan, where land is prohibitively expensive.

Whereas in the US it takes about ¥500m to build a golf course, according to Mr Takayama, this figure rises to at least ¥100m in Japan.

In the past, members seldom asked for their deposit back. While the Japanese economy was growing, golf club mem-

berships could usually be sold on at significant profits.

But now expensive memberships are no longer a corporate necessity and the number of members has plunged.

Many people bought memberships as an investment; in the dizzy "bubble" years these were even accepted by banks as a form of collateral.

But now, with Japan muddling through an uncertain recovery and membership prices unlikely to rise significantly in the near term, these speculators are demanding their deposits back.

Few people expect the clubs

to be able to repay in full. Mr Takayama believes that of the clubs which sprang up during the "bubble" years, only a handful will be able to pay back members' deposits.

Most clubs have no cash. What is more, about a third of developers are believed to have used membership funds to speculate on the stock market and elsewhere.

Several clubs have already been forced to file for bankruptcy and there is concern that more will collapse as deposit refunds come due.

Some clubs have asked members to accept repayment in instalments over several years, while others have split memberships so that members can sell part of them on the market - albeit at a significantly lower level than the original price - and still play at the club.

Most observers expect a bitter, drawn-out battle between clubs and their members.

Mr Takayama suggests the government could use part of its funds allocated to deal with the ageing of society to buy up troubled golf clubs and make them municipal clubs open to the public.

But given the distaste shown for government bail-outs, even the thought of playing golf on the cheap may not convince the Japanese public.

Michio Nakamoto

WOMEN JOB SEEKERS BOOST UNEMPLOYMENT

An unexpected rise in Japan's unemployment rate in April, to a record 3.4 per cent, is likely to reinforce the central bank's commitment to keeping interest rates low, writes William Dawkins in Tokyo.

Mr Takatoshi Nagai, labour minister, yesterday said the job situation was still "severe", but attributed the rise, from 3.1 per cent in March, to a sudden growth in the number of women seeking employment in expectation of economic recovery.

Private sector economists were not disturbed and pointed out that employment tended to lag general economic growth, which is gathering pace according to housing and construction data released yesterday.

The jobless rate was stuck at 3.4 per

cent from November until January, before falling fractionally in the following two months. The overall jobless total rose by 2.5 per cent, or 210,000 people, to 2.35m in the year to April, according to the government's management and co-ordination agency. That was twice the annual rate of increase in March.

Within this, the number of women out of work rose by 60,000 from March to April, to a total of 320,000. The female jobless rate rose by one percentage point over the same period to a record 6.1 per cent.

But the young of both sexes remained the hardest hit, with unemployment among 15-24 year olds rising 0.6 percentage points over the year, to 7.2 per cent. While the labour market remained

weak in April, there were signs of recovery. There were just 67 jobs available per 100 applicants, the same as the previous three months, but growth in new job offers accelerated sharply, from 2.6 per cent in the year to March to 12.6 per cent in the year to April.

Separately, the construction ministry said housing starts rose by 12.3 per cent in the year to April, the second consecutive monthly rise and the fastest growth rate in 22 months.

As economic activity picks up, deflation, a threat to the economic recovery last year, continues to recede, on the evidence of consumer price data published yesterday. Tokyo consumer prices - the earliest available - rose 0.2 per cent in May from the same month last year.

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Leary's Internet home page announces his death

Timothy Leary, 1960s messiah of LSD, dies

By Christopher Perkins in Los Angeles

Timothy Leary, the 1960s guru whose formula for living - "turn on, tune in, drop out" - inspired despair and enlightenment in unequal measures, signed off yesterday.

"Timothy has passed..." his Internet home page announced in turquoise script on a black background.

Internet users, many of whom had been tapping in to his site each day to eavesdrop on his debates with death, yesterday discovered little enlightenment beyond a picture of the late Leary, 70, gaunt and grizzled, puffing unrepentant on a cigarette of uncertain provenance.

"I am developing methods and technologies to delay the ultimate onset of pain, coma, helplessness and indignity which await," he wrote in his last available personal commentary on his condition, dated May 16. "High-tech designer dying is occupying most of my time."

Although confined to a wheelchair by his cancer, and rendered "mellow and high" by a daily cocktail of prescription drugs and illegal substances, Leary reported himself in good spirits. "Probable cause: I treasure the moments of mobility, dexterity, friendship and mental clarity," he wrote.

His diet of "neuro-active drugs" may also have played a role. According to his final summary, his average daily intake of legal substances included 30 cigarettes, half a cup of coffee, one glass of white wine, half a glass of tequila and prescription pain-killers.

This was topped off with

marijuana in the form of one Leary Biscuit (recipe censored) and one bong (pipe) hit, half a line of cocaine, 16 blasts of nitrous oxide and 0.15cc of psychedelic ketamine.

A former Harvard psychology professor, fired in the early 1960s for testing LSD on students, Leary spent much of his adult life tripping and bragging about his tolerance for drugs.

Starting out as the "Messiah of LSD", he evolved - with interludes as jailbird, fugitive and kidnapper victim - to become chief dope dealer and darling to many American artists and society folk.

His coteries included drug-fazed pop stars, Hollywood hangers-on and writers such as Jack (On the Road) Kerouac, Allen (Howl) Ginsberg, William (Naked Lunch) Burroughs, and Aldous Huxley. He also had five wives.

Leary died in his sleep in his brave new world - a hilltop villa in California's Beverly Hills, home to the fabulously rich - having failed to fulfil two of his last ambitions.

In his final weeks he had discussed committing suicide in cyberspace, while logged on to the Internet.

He also contemplated having his head frozen after death, but reportedly dismissed the notion when he realised that, if revived, he would most likely spend eternity as the prisoner of scientists armed with clipboards.

Apart from his memory and his "turn on" mantra, Leary leaves behind a video film of his death, taken at his behest. Another final request, that his ashes be launched into space, is expected to be fulfilled in the autumn.

NEWS: UK

The EU crisis: Government's drive against 'mad cow' curbs to include blocking of measures which it supports

Ministers set to reject easing of ban

By Caroline Southey
in Brussels

Farm ministers of the European Union are likely on Monday to reject the European Commission's proposal for early removal of the ban on exports of beef by-products from the UK. Such a move would force the Commission to impose the measure unilaterally.

Seven countries voted against the proposal at a meeting of EU veterinarians 10 days ago. EU diplomats said there were no indications that the countries which voted then

against easing the ban - Germany, Austria, Spain, Portugal, the Netherlands, Luxembourg and Belgium - would change their minds on Monday and vote to ease the embargo. "Many countries have not taken their final decisions yet, but there appear to be no indications that anybody will change their positions," a British official said.

If the proposal is voted down by farm ministers early next week, responsibility for implementing it will fall to the Commission. "Obviously we would prefer the council to vote the measure through, but if they

don't we will fulfil our responsibility," a Commission official said. Separately, there was growing evidence that negotiations were well under way on a framework agreement under which the broader ban would be lifted.

The two conditions laid down by Mr John Major, the British prime minister, as necessary preconditions to Britain ending its policy of non-cooperation are a lifting of the by-products ban and a framework agreement on ending the wider embargo.

British officials said Mr Malcolm Rifkind, the British for-

ign secretary, was likely to present the outlines of a plan targeting areas where the ban could next be lifted to Mr Jacques Santer, president of the European Commission, when they meet in Brussels on Tuesday.

Details of the framework agreement are being debated by British and Commission officials. Britain has proposed that one priority in the next phase of easing the embargo should be to give Britain the go-ahead to export to non-EU countries which are banned from re-exporting beef and beef products to the EU.

A second area would be to allow Britain to export meat from calves born after a specified date and beef from grass-fed herds. "This last one would be more difficult to negotiate as we would have to agree the criteria of how to define these herds and then a programme of policing," a British official said.

Baby milk companies welcome all-clear

By James Burt
in London

Manufacturers of baby milk yesterday expressed delight that the European Commission had ended a week of frenzied speculation over the quality of their products by stating that they posed no risk to health.

Having studied test results by the UK agriculture ministry on nine brands of formula milk, Commission researchers said there was "no reason" to anticipate any risk to babies consuming the products. The report has been passed to the 15 European Union governments, but none has so far expressed any concern over the issue, Commission officials said.

Earlier this week, UK ministers came under pressure to reveal the names of the brands after they were all said to contain phthalates, a series of chemicals that can reduce fertility. The Commission then requested to see the report under an EU "rapid exchange of information" system for possible health threats.

Several of the UK's leading baby milk manufacturers said they were delighted that concern over the issue appeared now to have been finally put to rest by the Commission's statement.

"It is reassuring to hear someone else confirming what we have thought all along, that there is nothing wrong with any of these brands," said Mrs Helen Mearns, head of corporate affairs at Milupa, one of the four main manufacturers of formula milk.

Aides to Mr John Major, the prime minister, yesterday quashed speculation that the Commission's verdict could be seen as a conciliatory gesture in the bitter struggle between the EU and London over British beef. "This was a perfectly routine decision," said an official. "These situations are looked at all the time and we were always confident that there was never a problem here."

Non co-operation to be stepped up

By Caroline Southey
in Brussels

Britain will step up its policy of non-cooperation in the European Union next week, blocking decisions at three ministerial meetings including one proposal it has strongly backed in the past.

The earliest casualties of Britain's policy to block all decisions requiring unanimity in the Council of Ministers will be a meeting of economic and finance ministers and, separately, social affairs ministers on Monday. Policies likely to fall include measures to combat fraud in the EU and a proposal to make 1997 the "year against racism".

More EU policies will be blocked on Tuesday when justice and home affairs ministers meet where all decisions require unanimity. The biggest decision to fall will be on Europe, the proposed EU-wide police force.

British officials said there were two, possibly three, decisions at the economic and finance ministers meeting which it would block. Mr Kenneth Clarke, Britain's chancellor of the exchequer, is expected to refuse to endorse measures aimed at stepping up the EU's campaign against fraud, even though Britain has campaigned for tougher action to stamp out misuse of EU funds.

The proposal would have given the EU greater powers to

German states firm on curbs

The Bundesrat, the second chamber of the German parliament representing the country's 16 states, is expected to refuse to ratify a lifting of the ban on British beef derivatives even if the measure is forced through by the European Commission, Michael Lindemann writes in Bonn.

Opposition among the states, or Länder, is an important obstacle for the federal government, making it impossible for Bonn to back any proposals to lift the ban, government officials said yesterday.

In addition, Bonn still believes there is no conclusive scientific evidence suggesting that the ban on gelatine, tallow and semen should end.

Four of the states, including Bavaria and North Rhine-Westphalia, the two largest,

already operated bans on the import of British beef, a measure that is illegal under EU law and for which Germany was going to be sued at the European Court of Justice in Luxembourg. Several states likely to insist that the ban remains have influential farm lobbies hit badly by a fall in beef sales.

In the first week in March after the UK admission of a possible link between "mad cow disease" and a fatal human brain condition, beef sales in Germany fell by 70 per cent compared with a 57 per cent fall in UK beef sales.

The matter is complicated by the fact that the Länder are angry at the way Mr Horst Seehofer, the health minister, has handled the negotiations about BSE.

European Investment Bank lend Asian and Latin American countries Ecu 250m (£100m). However, EU officials said the proposal was still being challenged by other member states, particularly Spain, which considered the sum too small and was pressing for an envelope of Ecu 410m.

EU officials said a decision on VAT on cut flowers, the centre of a dispute between Belgium and the Netherlands, and cited by British officials as another proposal it would

block, would also not be ready for a vote.

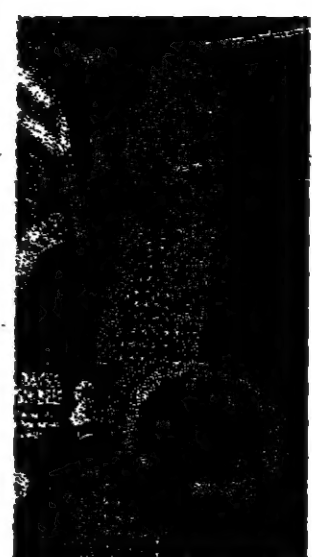
But a range of substantive business which will not be affected by Britain's policy, including preparations for the heads of state summit in Florence on June 21 and 22.

The ministers will be given a report from the monetary committee on the relationship between the "ins and outs" monetary union and the Germany's proposal for a stability pact aimed at ensuring that pressure is kept up on countries to maintain monetary policy once they have entered Ecu.

Although firm decisions on monetary union are not expected at the summit, the heads of state are due to consider the committee's interim report before passing it back to the ministers.

At the social affairs meeting, British officials said four decisions would be blocked. Mr Eric Forth, minister for education and training, would prevent agreement on the EU highlighting problems of racism by designating 1997 as a "year against racism." British officials said the UK did not oppose the idea in principle, but would vote against it as part of the non-cooperation policy.

Other decisions likely to fall covered proposals on encouraging the participation of women in top jobs, simplifying training certificates so that they can be



Kenneth Clarke, chancellor of the exchequer, seen here admitting British beef in a supermarket, yesterday supported criticism by European Commission president Jacques Santer of UK press coverage of the beef crisis. "Quite a lot of the press is owned and edited by anti-European people," said Mr Clarke.

understood in different member states and agreeing that the Commission should continue to produce reports on the EU's demographic make-up annually.

"Britain thinks these have been useful in the past and that it would be useful to continue to produce them. But the prime minister's statement will apply and we will block it," said one UK official.

Sinn Féin steals the election show

By John Kammphor and John Murray Brown in Belfast

Once again, despite being only the fourth largest party in Northern Ireland, Sinn Féin stole the show. As the final results were announced last night in elections that will pave the way for all-party talks, the political wing of the Irish Republican Army was given a reinforced mandate to present the republican case in negotiations that could determine the region's future.

For Mr Gerry Adams, the party's president, the outcome was a personal triumph. Whether, however, the outcome will lead to an IRA ceasefire remains to be seen. Two alternative conclusions could be drawn from Sinn Féin's strong showing: that it will strengthen Mr Adams's hand in demonstrating to his people that the political process can still reap dividends, or that it could be seen as vindicating the hardline stance that led to a resumption of violence.

Some in the moderate Social Democratic and Labour party, whose dominance of the nationalist vote was challenged as never before, offered a positive interpretation. Mr Eddie McGrady, SDLP MP for South Down, where Sinn Féin increased its vote by 9 per cent, suggested that some of his party's traditional support-

Northern Ireland results

Party	% of vote	Number of seats
Sinn Féin	21.4	21
Social Democratic and Labour Party	15.5	17
Ulster Unionist Party	15.5	17
Democratic Unionist Party	15.5	17
Ulster Democratic Party	15.5	17
Labour	15.5	17

ers had changed allegiance to "support the dove against the hawk" within the republican movement. "It's a one-off gift which I hope they use wisely," Mr McGrady said. However, others in the SDLP were less generous in explaining Sinn Féin's rise. Mr Joe Hendron, an SDLP MP who was soundly beaten in west Belfast and who may struggle to hold the seat in the next general election against Mr Adams, said there had been "massive vote-stealing" by Sinn Féin.

Mr Hendron, who during the campaign described Sinn Féin as a "fascist sectarian organisation," said he had lodged a formal complaint with the chief electoral officer over what he said was the fraudulent use of National Health Service cards as proof of identity by voters. For the British

government, the elections proved a mixed blessing. For all the predictions of apathy, turnout was surprisingly good and only slightly down on general election norms. The province's 11m voters did not seem deterred by the failure to find a venue for the 110-seat forum and confusion about its purpose.

On the other hand, UK ministers will come under intense pressure over the next week as the June 10 date for the start of the talks nears to allow Sinn Féin into the talks regardless of a ceasefire announcement. On the face of it, the returns were a rebuff to the forces of moderation. The Alliance, the only significant non-sectarian party, saw its share of the vote drop slightly. The Women's Coalition, a cross-community group borne out of the "peace people" of the 1970s, led less

well than some had predicted. However, it ended in ninth place ensuring seats at the negotiations.

There was little evidence of the two communities breaking out of their tribal allegiances. The pro-British unionists, however, suffered considerably from what they called the "shredding" of their vote between several anti-nationalist parties.

The date of the general election is up to the prime minister, but the longer he delays it the better the economy will be," he said. Mr Clarke's comments will discourage speculation that the government might be tempted to call an early election on the back of its campaign of non-cooperation with the European Union over the beef crisis.

Recent opinion polls suggest that this had done nothing to improve the Conservative party's electoral chances. Strategists in the party believe its best chance is to hold on and hope that the "feelgood factor" in the population revives. Mr Clarke yesterday predicted a steady improvement in the economy over the next 12 months and said his task was to convince voters it was sustainable. "The more I can reassure people that the present recovery is going to strengthen and is healthy and sustainable, the more people will have their trust restored in the direction we are going."

David Wighton, Westminster

Election fever discouraged

Mr Kenneth Clarke, chancellor of the exchequer, damped speculation over an early general election by insisting that economic recovery would eventually translate into political support for the governing Conservative party. Following the publication of strong consumer credit figures, Mr Clarke claimed that consumer confidence had recovered to the level at the last general election and predicted that the trend would continue.

"The date of the general election is up to the prime minister, but the longer he delays it the better the economy will be," he said. Mr Clarke's comments will discourage speculation that the government might be tempted to call an early election on the back of its campaign of non-cooperation with the European Union over the beef crisis.

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David Wighton, Westminster

IT investments questioned

Only a quarter of younger managers believe their companies get value for money from their investment in information technology, according to a survey by Mori, the research company. The research, based on interviews with IT managers, chairmen and managing directors, found significant differences in attitudes towards IT between different age-groups of senior managers.

Managers who had reached senior positions by the age of 44 were far more critical of their company's investment in IT than their older counterparts. "In the future, we may expect IT to be driven more from the top, rather than being pushed forward by IT managers against top-level inertia," the study says. The study was commissioned by Management Today and Computer Associates, a software company.

Venusia Houlder, Technology Staff

Pagoda-style complex is testimony to Asian success

By Richard Wolfe in Birmingham

At first sight, the pagoda-style office complex standing close to the Spaghetti Junction motorway interchange in Birmingham could be mistaken for the headquarters of the latest inward investor from the Pacific Rim. The newly-built mixture of Thai and Chinese architecture hardly blends with its bleak industrial surroundings in the second largest city in England.

But the 13m complex - soon to house a business community of Chinese bankers, lawyers and accountants - is a sign of the rapid growth of thousands of small UK companies. The complex is the latest venture of Mr Wing Yip, whose food distribution business - Wing Yip - has more than doubled from sales of about £25m 10 years ago to a turnover of more than £60m (£91.2m) last year. With four warehouses across the country, each supplying up to 2,000 Chinese restaurants, Mr Yip's food centres highlight the growing taste for ethnic food and the increasing financial importance of Britain's Asian communities.

Centred on the flourishing ethnic food industry, the UK's Asian enterprises have moved within a generation from the back streets of inner city Birmingham to the mainstream of international trade.

According to Sharwood, the market leader in ethnic foodstuffs, the growth in sales for the whole UK market has been in double digits since the mid 1980s. The market in ethnic foods for home cooking - including Indian, Chinese and Thai - is worth £125m a year in the UK.

The growing size of the market has highlighted this year when Patak Spices, a manufacturer of Indian food based in north-west England, linked with Hormel Foods of the US to distribute its products in north America. In the Birmingham area alone, two companies - East End Foods and KTC Edibles - specialising in Indian food processing and distribution account for estimated annual sales of up to £100m. KTC employs about 150 people and produces 1,200 tonnes of oils and fat products. It delivers to more than 2,000 points across the UK.

But the success of the sector has proved an embarrassment to some communities, which have preferred to keep a low profile.

Mr Dipak Shet, manager of the Institute of Asian Businesses in Birmingham's chamber of commerce, said: "There is a natural reticence among Asian businessmen. You do not want your competitors to know that you are doing well. And then there is the element of the authorities. Often people do not want them to take a look into their lives when they have not done so in the past."

For Mr Yip, the public attention is an ironic reversal of the attitudes

which he encountered as an immigrant to Britain from Hong Kong in the 1960s. After starting as a waiter, he struggled to gain a bank loan to support his first restaurants in the eastern England city of Ipswich. "The bank manager said there had been an Italian and a French restaurant which had both come and gone. He asked why my restaurant would be different. I said Chinese restaurants had flourished in the US for 100 years, but he had never been to the US and did not even understand that."

Back then people would ask if we had telephones and buses at home; today you cannot listen to the news without hearing about the Pacific Rim."

Finance remains a source of resentment among Asian businessmen, who still believe that they suffer harsher treatment from banks compared with other small entrepreneurs. Mr Omkar Parmar, who founded the Institute of Asian Businesses in Birmingham, said: "There is still prejudice in banks. People think they do not get the same deal, and for the Afro-Carib-

bean businesses it is even worse." But the growth of the ethnic food industry - as well as the desire to trade with Asian companies - seems to have altered the establishment's view of the sector. Today the West Midlands Development Agency tries to woo inward investors by highlighting the number of Chinese-speaking professionals in the region. Councils are keen to support ethnic businessmen who can provide new jobs in inner city areas.

In particular, the region hopes it links with the Far East will attract Hong Kong businessmen before next year, when the colony reverts to Chinese control.

Food distributors such as Mr Yip are turning their attention to exports, supplying western foods such as frozen meats to the Far East. "Chinese students now come to Birmingham to study how to present their own food in a western way," he said. "Their living standards are improving and they are seeking different food. The east is getting more western and the west is getting more eastern."

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FINANCIAL TIMES

Dear Reader,

Getting the FT to you at the right time each day is as important to us as providing you with the highest quality business news and comment. It is therefore important to know if we are doing this and where there is room for improvement.

Whether you are a regular or an occasional reader of the Saturday Financial Times, we would be grateful if you fill out this questionnaire and mail it to the FREEPOST address overleaf.

The results will be used by our editorial and marketing departments to improve the service we offer. We do **NOT** need to know your name or address and therefore the information received will not be used for any promotional reasons either by the Financial Times or any other company. It will be treated in the strictest confidence by FRAMEWORK which is an independent research company. I would be grateful if you could send the questionnaire to Framework by 14th June.

Your co-operation is very much appreciated. Please remember no stamp is needed.

Yours sincerely,

PETER HIGHLAND
RESEARCH DIRECTOR

PART I - ABOUT THE FT

1. How often do you normally read or look at

- a. The Saturday Financial Times? (both section I and II)
b. Monday-Friday issues of the Financial Times?

	a. Saturday Financial Times	b. Monday-Friday Financial Times
Always/almost always	<input type="checkbox"/>	<input type="checkbox"/>
Quite often	<input type="checkbox"/>	<input type="checkbox"/>
Only occasionally	<input type="checkbox"/>	<input type="checkbox"/>
This is the first time of reading the Saturday FT	<input type="checkbox"/>	<input type="checkbox"/>
Never	<input type="checkbox"/>	<input type="checkbox"/>

2. On what day(s) of the week do you
a. normally receive the Saturday FT?
b. normally read the Saturday FT?

	a. Receive Saturday Financial Times	b. Read Saturday Financial Times
Saturday	<input type="checkbox"/>	<input type="checkbox"/>
Sunday	<input type="checkbox"/>	<input type="checkbox"/>
Monday	<input type="checkbox"/>	<input type="checkbox"/>
Tuesday or later	<input type="checkbox"/>	<input type="checkbox"/>
Don't normally read Saturday FT (you may tick more than one day)	<input type="checkbox"/>	<input type="checkbox"/>

3. Where do you normally read the Saturday Financial Times?

- At home ☐
At work ☐
When travelling ☐
Don't normally read Saturday FT ☐
(tick all that apply)

4. How do you normally obtain copies of the Saturday Financial Times?

- Subscription to my home ☐
Subscription to my office ☐
Delivered by newsagent ☐
Bought from news-stand ☐
Personal office copy ☐
Circulated office copy ☐
Friends' copy ☐
Given to me by airline ☐
Given to me by hotel ☐
Given to me by car hire company ☐
Other (please state) ☐
(tick more than one if appropriate)

5. How many other people normally read your copy of the Saturday Financial Times?

- a. at home?
b. at work?

	a. At Home	b. At Work
1 other	<input type="checkbox"/>	<input type="checkbox"/>
2 other	<input type="checkbox"/>	<input type="checkbox"/>
3-5 other	<input type="checkbox"/>	<input type="checkbox"/>
more than 5	<input type="checkbox"/>	<input type="checkbox"/>
Don't know	<input type="checkbox"/>	<input type="checkbox"/>

6. The International edition of the Saturday Financial Times regularly contains two sections
Section I News
Section II Leisure Interests and Weekend Investor ('Weekend FT')

- a. How often do you read each section?
b. Which section do you usually read first?
c. Which section do you tend to spend more time reading?

	Section I	Section II (Weekend FT)
a. When I read the Saturday Financial Times I read this section		
..... always	<input type="checkbox"/>	<input type="checkbox"/>
..... sometimes	<input type="checkbox"/>	<input type="checkbox"/>
..... never, normally	<input type="checkbox"/>	<input type="checkbox"/>
b. I read this section first	<input type="checkbox"/>	<input type="checkbox"/>
c. I spend longer reading this section	<input type="checkbox"/>	<input type="checkbox"/>

7. Which subjects do you read about in the Saturday Financial Times?

	Usually read	Sometimes read	Never read
Section I			
Front page news	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
European news	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other international news	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
UK news	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Editorial comment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Editorial page feature	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
International companies & finance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Letters to the Editor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
UK companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commodities & Agriculture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Currencies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Managed fund prices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
World stock markets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
London Stock Exchange	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
London Share Prices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lex column	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Weather guide	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section II ('Weekend FT')

Front page feature	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Joe Rogaly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Food & Drink	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fashion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Book Reviews	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Travel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
International Arts Guide	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chess	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bridge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Crossword	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
James Morgan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Interview	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How To Spend It	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gardening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Peter Aspdon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Weekend Investor Wall Street	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
London	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Barry Riley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. Do you have preference between the Saturday Financial Times and the Monday-Friday Financial Times?

Which of these statements comes closest to your views?

- I prefer the Saturday FT to the Weekday FT ☐
I prefer the Weekday FT to the Saturday FT ☐
I like both equally ☐
I only know the Saturday FT ☐
I only know the Weekday FT ☐

9. It would be possible to distribute Section II of the Saturday paper, the "Weekend FT", either with the Friday Financial Times or with the Saturday Financial Times. Which arrangement would you prefer?

- "Weekend FT" with Friday paper ☐
"Weekend FT" with Saturday paper ☐
"Weekend FT" in both Friday and Saturday papers ☐
Does not make any difference ☐
Don't know ☐

PART II - ABOUT YOU

10. Are you ... ?

- male ☐
female ☐

11. Are you ... ?

- under 25 ☐
25-34 ☐
35-44 ☐
45-54 ☐
55-64 ☐
65+ ☐

12. Are you ... ?

- working full time ☐
working part time ☐
retired ☐
running the home full time ☐
studying full time ☐
unemployed ☐
other ☐

13. What is your country of residence?

14. What is your country of citizenship?

15. What is the principal activity of the organisation for which you work (or used to work)?

16. Which describes the position you hold (or held)?

- Owner/partner ☐ Middle Manager ☐
Chairman/President/CEO/Managing Director ☐ Consultant ☐
General Manager ☐ Junior Executive ☐
Finance Director ☐ Technical specialist/Engineer ☐
Director/Vice President ☐ Civil servant/Diplomat ☐
Department Head ☐ Other ☐

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COMPANIES AND FINANCE

Schering to control E German drugmaker

By Judy Dempsey in Berlin

Schering, the German pharmaceuticals company, is set to expand its fertility and hormone division after announcing yesterday it was buying a 74.9 per cent stake in Jenapharm, eastern Germany's only profitable pharmaceutical group. Jenapharm is owned by Gehe, the Stuttgart-based pharmaceutical wholesaler.

The decision by Gehe to reduce its stake to 25.1 per cent and transform Jenapharm into a jointly-owned company with Schering is regarded as a strategic alliance with considerable benefits for both sides.

Schering will take over managerial control of Jenapharm, assuming the

venture obtains approval from both supervisory boards and the European Commission.

Schering, which had long eyed Jenapharm after it was placed under the Treuhand privatisation agency in 1990, but which had seen it snapped up by Gehe in 1991, yesterday said the Stuttgart-based company would complement its fertility and hormone division.

This division last year accounted for 31 per cent, or DM1.41bn (\$820m), of Schering's total turnover, which amounted to DM4.64bn. Net profits were DM249m. "This deal will definitely strengthen the hormone division, particularly fertility control, and there will be synergy effects," Schering said.

Gehe, which over the past year has expanded outside Germany through acquiring AAH, the UK drugs wholesaler, and is now locked in a bid battle over Lloyds Chemists of the UK, has invested more than DM100m in Jenapharm since 1991. Last year, Jenapharm reported net profits of about DM20m on sales of DM212m. Gehe reported a 31 per cent rise in its net profits for 1995 on sales of DM19.3bn. Profits reached DM212m and were boosted partly by the consolidation of AAH into Gehe's group results for nine months.

Despite, or indeed because of, growing sales at Jenapharm, Mr Karl Eich, Gehe's finance director, yesterday said his company was faced with a major decision about the future strategy of both Jenapharm and the mother company.

"We have no Europe-wide marketing structure. We had to decide whether to build one or seek a partner to market Jenapharm's products. We wanted to internationalise it," said Mr Eich. He added that they had looked around for partners for some time, but Schering always seemed the obvious one, given the complementarity of its products and Schering's strong marketing infrastructure. "I think this strategic alliance will work well," added Mr Eich.

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KHD is upbeat on survival prospects

By Michael Lindemann in Bonn

Klöckner-Humboldt-Deutz, the German engineering group facing bankruptcy after the discovery of losses of DM550m (\$424m) last week, yesterday said it was "making good progress on a rescue bid".

However, the package of unspecified measures designed to offset the losses will have to be approved by a consortium of about 30 banks, headed by Deutsche Bank, which is due to meet in Frankfurt next Wednesday.

The group's non-executive supervisory board, chaired by Mr Michael Endres, a board member of Deutsche Bank, met yesterday at the bank's headquarters in Frankfurt. Deutsche Bank, which owns 47.7 per cent of KHD, refused to comment on any details of the rescue package.

As Germany's biggest bank, Deutsche is sure to have a degree of leverage over the other banks in the consortium but it remained unclear last night whether the rescue package would be approved.

The same consortium had to put together a DM519m rescue bid for KHD last January and it is not certain what long-term prospects there are for the company, which would continue to face high German labour costs.

Analysts have suggested it would be better to let KHD, one of the oldest and best-known names in German engineering, go bankrupt and then build up textile services to 75 per cent of business in the next three years.

This would cut the contribution of retail - the group's recent bugbear - from 50 per cent to 25 per cent.

"Textile services offers us better growth prospects," said Mr Jackson.

The 1-for-3 issue is priced at 105p a share. The group's shares fell 8p to close at 118p yesterday.

Textile services includes workwear rental contracts - where the group typically supplies and cleans overalls - hotel linen cleaning and laundry for British Airways.

The rights proceeds will help the group fund large up-front investments on new commercial contracts. Investments will also be made in new Sketchley dry-cleaning stores as leases on some existing sites expire.

Problems with the retail side dragged Sketchley to a \$3.5m pre-tax loss in the year to March 31. It had made a pre-tax surplus of \$8.4m a year earlier.

The main hit was a \$7.5m exceptional charge to cover the closure of 160 loss-making branches. But operating profits also fell from \$7.9m to \$5.3m after a 25 per cent drop in sales during last summer's heat wave.



John Jackson: "Textile services offers better growth prospects"

Sketchley seeks £21.6m to finance refocus

By Christopher Brown-Humes

Sketchley, the dry-cleaning group, launched a £21.6m rights issue yesterday to cut debt and shift business focus.

Mr John Jackson, chief executive, said the group wanted to build up textile services to 75 per cent of business in the next three years.

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Sketchley has already closed 130 stores out of the 160 target, and said its remaining 550 branches are well positioned. It expects to generate significant new business through an exclusive deal with J.Sainsbury to open dry-cleaning outlets in supermarkets.

Mr Jackson said the current year had started well, with retail like-for-like sales up between 4 and 5 per cent, and textile services up 6 per cent.

"Discretionary spending has started to come back," he said.

An unchanged final dividend of 2.4p gives a total of 3.5p, up 0.1p.

COMMENT

After a spell in the dry cleaner, Sketchley's dirty stains in the form of 160 loss-making shops have now largely been removed. So yesterday was a good time to take the spruce-up a stage further with a rights issue that enables the group to move from defensive to offensive mode. Whereas the old expansion strategy would have emphasised acquisition, the new mantra is organic growth. This is a change for the better. Everything is in place for a recovery, with expansion through Sainsbury stores and higher discretionary spending - if sustained - adding to the growth it should get from textile services. But shareholders have heard "the new management, new strategy" story enough at Sketchley over the last 15 years to remain wary. The shares may struggle to make progress in the short term.

Clondalkin buys Dutch group for £40m

By Jane Martinson

Clondalkin, the Dublin print and packaging concern, is to buy Van der Windt, the Dutch packaging group, for £104.3m (\$140m) from NV Koninklijke, a Dutch public company.

The group said the acquisition, its largest to date, would be earnings enhancing immediately and would strengthen its position in the European flexible packaging market.

Clondalkin shares, listed on the London Stock Exchange, rose 20p to 485p yesterday.

Van der Windt, which manufactures and distributes packaging materials for markets, chiefly in the Netherlands, Germany and Belgium, is set to provide some 40 per cent of the Irish group's sales and profits.

Clondalkin manages flexible packaging operations in Ireland, the UK, the Netherlands, Switzerland and the US. It said that expansion in Europe would "complement existing operations and provide greater balance in terms of foreign currency, investment and earnings potential".

Van der Windt made a pre-tax profit of £119.4m on sales of £1.96bn in 1995. The deal will add 870 employees to Clondalkin's total of 2,544.

Last year Clondalkin lifted pre-tax profits 22 per cent to £18.5m, helped by the first full-year contributions from Vaseen in the Netherlands and Nyco in Switzerland. Clondalkin also bought Boxes, a UK folding carton manufacturer, in September for £15.7m.

Under the latest deal Clondalkin will repay Van der Windt debt, estimated at less than £150m. The Irish group's net debt at the year end was £23.4m, giving gearing of 58 per cent. After the deal the group said its interest cover would be more than 10 times.

Clondalkin expects the restatement of the Dutch group's fixed assets at acquisition to lead to "a significant increase".

Siemens in Pta14bn Amper deal

By David White in Madrid

Siemens of Germany expects to triple its business in the Spanish telecommunications equipment sector as a result of an agreement signed yesterday with Spain's Amper group, an important supplier to the national telephone company Telefonos.

Siemens said the first stage of the deal would involve payment of almost Pta14bn (\$108m), its largest investment in Spain to date.

The agreement, reached after long negotiations, includes the purchase by Siemens of an 80 per cent stake in the Spanish company's public telephone

subsidiary, Amper Elasa, with an option to acquire the other 20 per cent. Siemens said it would strengthen the Spanish unit's export activity and make it the focus for developing, producing and marketing public telephones worldwide.

At the same time, the German group is taking a 10 per cent stake in Amper Datos, which specialises in data network systems, with the idea of possibly expanding its participation to 30 per cent in future. The initial shareholding is seen as a tactic to prevent another competitor from moving in.

A third leg of the agreement, still to be concluded, involves

bringing the operations of the Spanish company's Amper Telefonica subsidiary, which makes terminals and small exchanges, into a joint venture with Siemens' telecoms network activities in Spain. The joint unit, to be called Siemens Telecomunicaciones España, is to be 65 per cent controlled by the German group, with Amper holding the remaining 34 per cent.

This part of the deal, expected to involve a further investment by Siemens of about Pta3bn, awaits the outcome of a labour dispute at Amper Telefonica which is in the hands of a Madrid court. Amper, floated on the stock

market 10 years ago after a rescue operation carried out by Telefonos, has returned to profit in the past two years after suffering heavy losses. Its net earnings climbed from Pta900m in 1994 to Pta2.71bn last year on sales rising from Pta3.21bn to Pta40.05bn.

The deal follows a preliminary understanding between the two companies in July last year. Siemens said the agreement would enable it to build up its position among the main suppliers of telecommunications in Spain. It expected its turnover in the sector to reach Pta35bn within two to three years, three times the current volume of business.

HSBC shareholders approve bonus scheme for executive directors

By Simon London

Shareholders in HSBC Holdings have approved a controversial bonus scheme for the banking group's executive directors, despite the opposition of some institutional investors.

The scheme enables directors to receive bonus shares valued at up to four times their annual salaries if earnings performance targets are met.

Some shareholders argued that the potential rewards were excessive and the target - 2 per cent real earnings growth averaged over four years - was too low.

Mr Stuart Bell of the Pensions and Investments Research Consultancy (Pirc), which advises pension funds, told yesterday's annual meeting that the scheme rewarded executives for "adequate but not outstanding performance".

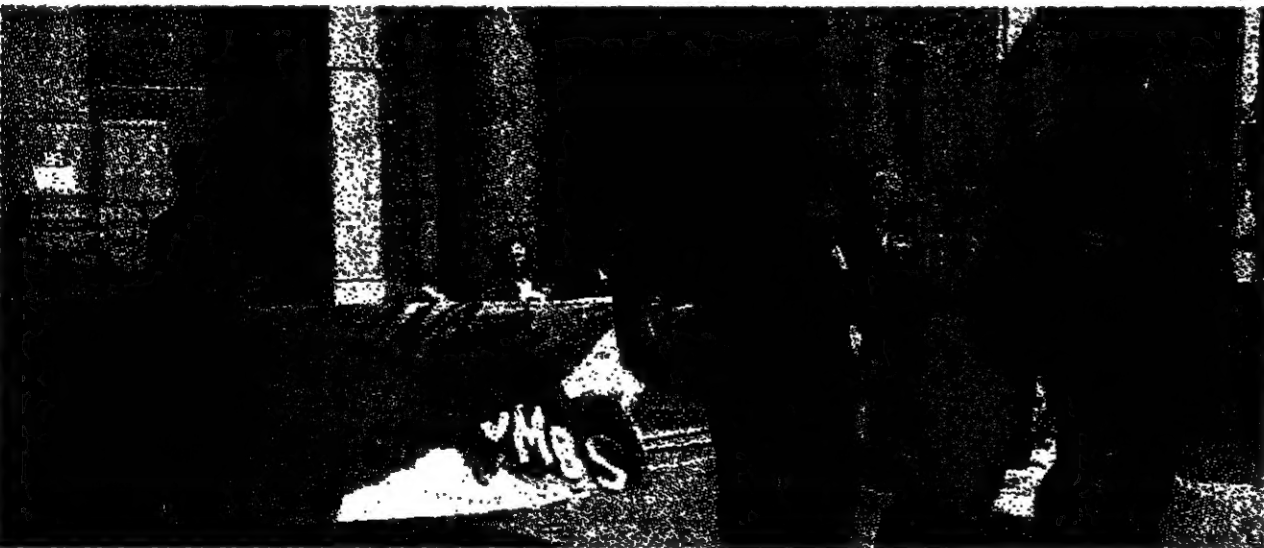
He added that the group's remuneration committee had excessive powers to alter the rules of the scheme in future years. Pirc advised its clients to vote against the scheme.

However, HSBC received proxies in respect of 480m shares in favour of approving the scheme. Proxies representing 58m shares were against. Sir William Purves, chairman, told the meeting that

four times annual salary was a theoretical ceiling and that rewards were expected to be much lower.

In practice the group envisaged granting bonus shares equivalent to up to 25 per cent of annual salary if performance targets were met, he said.

Many companies are introducing similar long-term incentive plans at the suggestion last year of the Greenbury committee on executive pay.



Demonstrators supporting the Lloyds and Midland Boycott Campaign were dragged out of the HSBC annual meeting yesterday

RBS holding in Spanish bank raised to 4.9%

By Geoff Dyer

Royal Bank of Scotland has exercised options to purchase a further 1.04m shares in Banco Santander for \$21m, taking its stake in Spain's largest banking group to 4.94 per cent.

RBS has had the options since 1988, when it entered into a business alliance with Santander, which in turn has a 9.89 per cent stake in the Scottish bank.

The latest purchase, which RBS said would probably be the last, means that it has spent nearly £150m on Santander shares since last December.

RBS said the investment was designed to cement its relationship with Santander and would have a negligible impact on earnings.

The two banking groups also have an alliance in Portugal and in the Bos cross-border payments system.

Acquisitions lift Residential Property

Helped by the acquisition of PKL Group in January, Residential Property Trust, the residential property management company, achieved a jump in pre-tax profits from £296,768 to £283,819 in the year to March 31.

Mr Stuart McDonald, chairman, said it would continue to seek opportunities to grow organically and by acquisition.

Turnover rose to £2.56m (£279,782) of which £589,705 came from acquisitions.

The board is proposing to change the company's name to RPT Management Services to reflect its activities.

Predators eye the smaller fry

The mutuals which still exist are seeking ways to protect themselves, writes Motoko Rich

The formerly solid building societies sector has undergone an unprecedented amount of change in the past 18 months. But for all the excitement that has attended the announcements of conversions, mutuality packages and chief executive oustings, the activity has focused primarily on a handful of the UK's 76 building societies - all in the top 10.

The small and medium size societies, from the tiny West Cumbria to the 18th largest West Bromwich, are beginning to attract public attention, however.

Last month, the Building Societies Association conference became a frenzied rumour mill as it emerged that Birmingham Midshires, the UK's 10th largest, had suggested a merger with West Bromwich, the 18th largest.

Although West Bromwich repelled Midshires' approach, Midshires may be scrutinising the sector for other opportunities.

"Industry predators are looking at smaller societies because they have run out of bigger ones to look at," says Mr Rob Thomas, analyst at UBS. "The smaller societies will form the epicentre of the next set of changes to hit the industry."

Undoubtedly, there will be more deals. "There has been about a 10 per cent reduction in the number of societies per annum throughout the century," says Mr David Anderson, chief executive of the Yorkshire Building Society. "There will be further consolidation as some societies decide they could offer their members more by combining with another society."

Two societies which have recently embarked on this route are Strand and Swindon, which took over City & Metropolitan in April, and Cumber-

land Building Society, which will complete a takeover of West Cumbria in October.

While industry pundits have speculated that some of these merged societies could follow the Halifax, which merged with Leeds Permanent to become a bank, Mr Thomas says that is improbable.

The extra bulk you would get by putting any of the two that remain together would not be substantial enough," he says.

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over - but are free to launch takeovers.

The remaining societies believe their former allies represent the greatest threat to their future: they see the new banks facing stock market pressure to grow by acquisition.

Many of the smaller societies are determined to remain mutual. Several have demonstrated their commitment by offering mutuality packages,

cutting their own margins to deliver better rates to borrowers and savers.

Those who have not - including Birmingham Midshires, Portman, the UK's 12th largest, and Chelsea, the 16th biggest - have become the subject of some speculation about their future as mutual societies.

Chelsea says it is not interested in mergers or conversion. "We think the best way to demonstrate the benefits of being a building society is to offer the best products," says Mr Darren Stevens, corporate affairs manager.

Some say the mutuality packages will have to be softened anyway. "Several of those who have announced discounts

will halve their profits and their capital strength will start to dilute and their cost-income ratios will get worse," says Mr Andrew Messenger, chief executive of West Bromwich.

"So they will have to pull back their discounts and widen their margins again."

However, banks will also need to charge higher rates to maintain profits, so the rates offered by the mutuals are likely to remain attractive.

Still, mutuals need to deliver robust performances for their members. "Mutuality has been used as a cover-up for inefficiency," says Mr Messenger. "Mutuals have to be really efficient and profitable, and then give some of those profits back to members."

The demutualisation of Northern Rock and Bristol & West one by conversion, the other by takeover, earlier this year, reinforced the fear that the mutuals could fade into an old-fashioned niche.

But the remaining mutuals believe that niche is vital. "If the sector is destroyed, competition will disappear, and the very availability of some products could be open to question," says Mr Anderson.

Whereas banks are not required by law to provide mortgages, or even retail savings facilities, building societies are.

The smaller societies believe this is where their future lies. "We have to focus on our core mortgages and savings," says Mr John Thomson, deputy chief executive of the Coventry Building Society. "A regional building society does not have the resources to have a full range of financial service products. As a sector we cannot be all things to all men."

The Financial Times plans to publish a Survey on Spain

on Monday, June 24.

The survey will focus on the policies of the new administration • The challenge faced by the country of monetary union • Spain's privatisation programme, banking, competition and much more • Its music and dance culture.

For further information, please contact
Ewa Placzek-Neves on +44 0171 873 3725,
Fax: +44 171 873 3204 or
Edward Macquistan on +34 1 377 0061
or Fax: +341 377 0062.

FT Surveys

WEEK IN THE MARKETS

Chicago grains head lower

Chicago's grain pits provided most excitement this week for commodity traders. As London Metal Exchange contracts consolidated after recent sharp gains, "soft" futures at the London Commodity Exchange moved in narrow ranges. Chicago Board of Trade wheat, maize and soybean prices reacted to improved conditions in some US growing areas with dramatic falls.

US weather had for some time been the dominant influence on world grain markets. Prices were driven to historic highs by the drought conditions that damaged prospects for winter-crop and then moved still higher as excessive rain seriously hindered spring plantings.

The mood change profoundly this week, however, after weekend rains in parts of the Southwest plains broke the drought that had continued to blight harvest prospects and summer weather in crucial spring wheat states like Indiana and Oklahoma raised hopes that plantings there could soon be completed.

About 20 per cent of the US maize crop remained to be planted as of last Sunday, according to a survey released on Monday by the US Department of Agriculture. But traders said drier weather forecast for the next week or two should allow farmers to get their remaining seed into the ground.

They said the rains in the Southwest plains had come too late to boost wheat yields significantly but would encourage farmers to plough up failed wheat stands and plant milo, a feed grain that can be used in place of maize.

All-in-all, grain market analysts said, improved planting prospects, lagging maize exports and the prospect of government aid to cattle ranchers - the USDA was expected to release \$2m bush-

els of maize from the emergency food reserve - had taken the pressure off maize prices. In late trading at the CBOT yesterday September delivery maize futures were up a few cents on the day at \$3.96 a bushel, still 17 cents down on the week. September wheat was quoted at \$5.25 a bushel, down 2 cents on the day and 35 cents on the week.

At the London Metal Exchange copper prices regained some of their recent heavy losses as nearby supply

tightness was reasserted. The three months delivery position closed yesterday at \$2,445.50 a tonne, up \$24.50 on the week, while the cash premium, which at one point last week had shrunk to less than \$50 a tonne, stood at about \$100.

Copper's recovery was undermined yesterday by the 4,100-tonne fall announced in LME warehouse stocks of the metal. Some traders had suggested that a drawdown of as much as 30,000 tonnes was possible.

Aluminium prices also dipped yesterday, and were little changed on the week. The strongest LME contract over the week was nickel, which ended \$112.50 up at \$7,997.50 a tonne, for delivery in three months. But that was \$157.50 below the peak reached on Wednesday. Dealers attributed a \$100 fall yesterday to news of a rise in LME stocks and pressure from commission house selling following repeated failures to break resistance at \$8,000 a tonne.

The earlier strength of the nickel market was encouraged, traders suggested, by news of top management changes at Norilsk, the Russian nickel giant whose exports are seen as a key swing factor in the western world's supply-demand balance.

Richard Nooney

WEEKLY PRICE CHANGES

	Latest prices	Change on week	Year ago	1996 Low	1996 High
Gold per troy oz.	\$322.25	+1.55	\$317.00	\$415.40	\$373.0
Silver per troy oz.	\$4.50	-2.50	\$4.40	\$14.70	\$27.50
Aluminium 99.7% (cash)	\$1,584.5	-2.0	\$1,584.0	\$1,578.0	\$1,592.0
Copper Grade A (cash)	\$2,445.5	+2.0	\$2,434.5	\$2,310.0	\$2,465.5
Lead (cash)	\$223.5	-0.5	\$219.0	\$227.5	\$230.5
Zinc (cash)	\$778.0	+5.0	\$772.0	\$765.0	\$785.0
Tin (cash)	\$2,000.0	+10.0	\$1,940.0	\$1,982.0	\$2,050.0
Cocoa Futures May	\$1,077.5	-1.0	\$1,069.0	\$950.0	\$1,085.0
Soybean Futures May	\$5.05	-0.01	\$5.04	\$4.95	\$5.15
Wheat (DPR) May	\$3.96	-0.01	\$3.95	\$3.85	\$4.05
Soybean Futures Sep	\$5.05	+0.10	\$5.06	\$4.95	\$5.15
Wheat (DPR) Sep	\$3.96	-0.01	\$3.95	\$3.85	\$4.05
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Wheat (DPR) Dec	\$3.96	-0.01	\$3.95	\$3.85	\$4.05
Wheat (DPR) Mar	\$3.96	-0.01	\$3.95	\$3.85	\$4.05
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COMMENT & ANALYSIS

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700
Saturday June 1 1996

High peaks, big risks

When Ms Susan Phillips, a governor of the US Federal Reserve, expressed worries about inflation earlier this week, it looked briefly as though Wall Street might finally crack. In the event, bonds and equities quickly regained their composure. There have been many such brief and nervous twitches in the course of the year. But while the respect accorded to announcements from anywhere near Mr Alan Greenspan's office borders on the reverential at present, the reellers at Wall Street's party know no deference, even towards the Fed.

Another curiosity of current market behaviour is that official data provide so much that appears to run against the grain of the respective movements of bonds and equities. The big story of the past five months has been the resurgence of inflationary fears, which has caused the yield on the US long bond to rise to just under seven per cent. There it dithers, waiting for news that would justify a decisive move in the direction of inflationary gloom.

In the real economy, meantime, there is no overwhelming worry for bonds. That week the Commerce Department revised its growth estimates downwards to an annualised rate of 2.3 per cent in the first quarter, compared with the earlier reported figure of 2.8 per cent. The chief reason for the revision was that inventories showed their first quarterly fall for four years, indicating that the inventory correction is over.

This admittedly means that growth in the second quarter is likely to be more buoyant as companies have to produce more to meet a given level of consumer demand. Figures for new house sales this week also pointed upwards, which in turn raised the possibility of more pressure on wages. That, of course, is one of the Fed's biggest fears; and a better indication of future trends will have to wait for next week's employment data.

Conventional wisdom

Yet in an economy which has seen very high levels of investment and improved productivity, it is hard to believe that labour market pressures will be acute this year. Nor is it inevitable, if growth from the second quarter follows conventional wisdom in running at an annualised 2.3 per cent, that the Fed will feel obliged to tighten monetary policy before November's presidential election.

Some, it is true, worry about the growth of the money numbers; and there are great uncertainties about the nature of the official flows between Japan and the US.

But on the assumption that the Fed continues to neutralise the impact on US monetary policy of the Bank of Japan's dollar purchases and sales, the question about money and inflation will be resolved at home.

Here the important point is that if people save rather than spend the excess liquidity, the outcome is more likely to be soaring asset prices than a surge in the general price level. And asset price inflation, propelled by the mutual fund movement, is very much what Wall Street is all about.

Upward sweep

The annualised rate of growth of mutual fund assets in three months to the end of March was more than 50 per cent, which is heady stuff. The upward sweep of equity prices, which are still close to peak historic levels, has also shown no deference to the bond market, where weakness might normally have been expected to put a brake on equities.

Apologists for the present level of the market point out that in terms of prices and earnings, the current valuation is far from its historic peak. What they overlook is that peak historical levels are usually reached only when an economy is roaring ahead.

In one that is growing pretty much in line with its long run growth potential, today's price earnings ratios do look very demanding. Dividend yields, which are only a little over two per cent on the Dow Jones Industrial Average, are at genuinely low historic levels. Where valuations are based on replacement costs are used, the market is at its highest level for decades.

The trouble with arguments about valuation is that markets often remain overvalued for months or even years. In essence, the assertion that Wall Street is overvalued is a statement about the level of risk, not about where things will go next.

What can be said with certainty is that the mutual fund investors who are buying at today's levels will enjoy very low long-run returns, when measured by historical yardsticks - a point that applies, though with rather less force, to UK equities at their present level.

One moral is that a reversal of the present asset price inflation poses a greater threat to the wealth of US households than a resurgence of general inflation. Another is that a fortune teller on the nearest seaside pier may provide a better guide to when investors will finally grasp this point than the most sophisticated analyst.

When the Likud party faithful lost their heads on election night, Mr Benjamin Netanyahu, Israel's next prime minister, kept his cool. Early returns and exit polls showed Mr Shimon Peres, the prime minister, with a narrow lead over the rightwing Likud leader, sending his election headquarters in Tel Aviv into despair. Grown men wept and party officials gave hysterical interviews on television lashing out at the US for interfering in the election to support Mr Peres.

Mr Netanyahu, 46, staying at a seaside Tel Aviv hotel with his wife, broke his self-imposed vow of silence to rally his depressed supporters. Dressed in a dark suit, he delivered a calm, reassuring message. "It is still early. The night is long. We need to be patient. There are no final results yet. The race is very, very close," he said.

Within hours, Mr Netanyahu, known in Israel as "Bibi", had pulled ahead of Mr Peres. And yesterday, after the last ballots were counted, he emerged as the winner with 50.4 per cent of the vote, a wafer-thin margin of less than 28,000 votes over Mr Peres.

No personal quality, except perhaps his ruthless ambition and self-confidence, is more responsible for his victory than his ability to stay cool under pressure. It is a quality he has shown time and again as an army commando; as Israeli ambassador to the United Nations during Israel's disastrous 1982 invasion of Lebanon; as the country's chief spokesman in the Gulf war when Iraqi Scud missiles threatened Israel's self-confidence; and from 1983 as Likud leader after his meteoric rise over more experienced rightwing politicians.

It is a quality which has been seriously underestimated by his many critics, who portray him as an unprincipled opportunist, long on style, short on substance and with dubious judgment. The judgment question was raised in the only televised election campaign debate when Mr Netanyahu was asked about his behaviour in "Bibi-gate", the scandal of his marital infidelity which erupted two months before the Likud leadership poll in 1993.

"As an officer at a very young age I made life and death decisions," Mr Netanyahu barked back, before admitting he had made a mistake during Bibi-gate by rushing to confess his adultery on prime-time television because of rumours of a compromising videotape that turned out not to exist. Then, going on the offensive, he said: "But the mistake Mr Peres made, that he is making now, that he made in the last four years, hurts the whole people of Israel. People here live in fear. The whole country lives in fear."

The message that the peace process has failed to deliver security, and that only by resurrecting a garrison state can Israel move towards a secure peace, is behind Mr Netanyahu's comeback from a 30-point deficit in the opinion polls four months ago.

When Yigal Amir, a rightwing Jewish extremist, assassinated Yitzhak Rabin, the former prime minister, in November Mr Netanyahu's prospects of becoming prime minister seemed bleak. The right wing was blamed by many Israelis for its part in creating the climate of hate leading up to the assassination; and Mr Peres, who took over the premiership, soared in the polls. But then Hamas, the Palestinian Islam-

Man in the News - Benjamin Netanyahu

Life and death decisions for a former commando

A fighter to the last, Israel's next prime minister has demonstrated the value of a cool head, says Julian Ozanne



ist group, killed 39 Israelis in four suicide bomb attacks in February and March. The attacks wiped out Mr Peres's lead and played into the hands of Mr Netanyahu.

He prevented the eruption of anti-government demonstrations by Likud supporters and appealed for calm in a time of national crisis. He even addressed Mr Peres, 26 years his senior, as "Shimon" and offered his help in strong anti-terror moves.

At the same time, Mr Netanyahu was skilfully persuading the fractious right wing to unite behind his candidacy for the premiership. He swallowed his pride to make up with Mr David Levy, the former Likud foreign minister, whom he

had accused of being behind the conspiracy to discredit him during "Bibi-gate". When the united rightwing bloc was announced in March it quickly became apparent that almost a dozen Likud members of parliament would be sacrificed to accommodate other right-wing groups in an electoral pact. Many party members condemned this as naked opportunism but a large majority eventually endorsed it as the only way to unseat Mr Peres.

Mr Netanyahu's tactics have been vindicated. So have his skills as Israel's great communicator. His campaign was well focused on a single issue: the government had subcontracted Israel's security to Yasser Arafat, the Palestinian

president. Only by taking security into their own hands would a real peace, free from terror, be possible. Now he will need all his skills as a political negotiator and communicator to reassure a deeply divided country, and an outside world worried about the impact of his hard-line policies on an unstable region.

The challenge is formidable. Mr Netanyahu's fear-mongering and criticism of the peace process while in opposition now have to be translated into government policies. He must decide in days whether Israel will proceed with a military withdrawal from the West Bank town of Hebron as it is obliged to do under the Israeli-Palestinian peace accords, or risk a renewal of Arab

violence. He must decide how to deal with the Palestinian administration next door after saying he would not meet Mr Arafat.

Mr Netanyahu must also try to calm the fears of Israel's neighbours in the Middle East, a region he recently described as a "mass of depravity and duplicity". He must seek to assure western states and the US, Israel's staunchest ally, that their economic and diplomatic investment in the peace process is not at risk. He must quickly take steps to restore the confidence of foreign investors: they are fearful that a collapse of the peace process will slow Israel's economic growth and its integration into global markets. In short, says Mr Haim Shalev, an Israeli political commentator: "He will have to convince the world that Israel is not about to turn itself in a dark, theocratic creature from the old Middle East."

Optimists say that although Mr Netanyahu has taken a hard line on the Arab-Israeli peace process, he knows that up to 70 per cent of Israelis support continuing the quest for peace. He also has solid credentials as a free marketeer committed to rapid liberalisation and privatisation of the economy.

Furthermore, the US-educated, fast-talking Mr Netanyahu is no Yitzhak Shamir, the gruff former Likud prime minister whose policies put Israel at loggerheads with Washington. Mr Netanyahu is as much at home in America as in Israel; he is used to being the darling of US television and will not want to be shunned by the White House.

But even an optimistic reading of his stated policies towards Palestinians, Syria and the rest of the Arab world must take into account the fact that he is likely to be pulled rightwards by his own party and his coalition partners.

Other members of his future government are even more opposed than he to a Palestinian state and to talks on Jerusalem - two of the most important issues Israel is committed to discussing with the Palestinians. They are also united behind the resurrection of Greater Israel, keeping the West Bank and Gaza Strip under Israeli occupation and populated with Jewish residents. There are extremists in Mr Netanyahu's own party, including Mr Ariel Sharon, a possible finance minister, who yesterday described Mr Arafat as a "murderer" and "war criminal" and said Israel would not honour its commitment to withdraw from Hebron.

The make-up of the coalition dims the hope that Mr Netanyahu will moderate his policies towards peace - a fact recognised by Mr Ahmed Qureia, the Palestinian architect of the peace process. "It is most worrisome that Netanyahu will be surrounded by a team hostile to the peace process. The region will return to a state of tension and violence, maybe war, if a new Israeli team headed by Netanyahu implement their campaign slogans."

The composition of the coalition is also unlikely to allow him to meet the urgent need for spending cuts. Ultra-orthodox and new immigrants' parties will demand money for their communities.

Squaring these competing demands while preventing Israel's return to confrontation and isolation will test Mr Netanyahu's coolness under pressure as never before.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be sent by post or by fax to "Line", email: letters.editor@ft.com. Translation may be available for letters written in the main international languages.

Netanyahu will continue peace process after election befitting real democracy

From Mr Zilli Jaffe.

Sir, The Israeli public has had its say in an honourable and democratic manner befitting a real democracy. Some in Israel do not appreciate democracy when they lose. Mrs Rabin's answer to CNN that she will leave Israel if Benjamin Netanyahu wins is outrageous. Those who claim that Bibi won the election because of Rabin's murder are making a mockery of a tragedy that

devastated all of Israel.

Israel, being a democracy, will not negate any of its international agreements (inclusive of "Oslo A" and "Oslo B"). Netanyahu will surprise those who fear his victory. Let us remember that it was Begin who signed the peace treaty with Egypt. It was Shamir who attended the Madrid conference. It will be Netanyahu who will bring peace with Syria as he will have the support of right and left.

All Israelis wish for peace. The peace process with Palestinian is irreversible. Democracy spoke. Let us give Bibi a chance. I know he will not disappoint us.

Zilli Jaffe,
Zilli Jaffe & Co,
Law offices,
31 Ramban Street,
PO Box 7381,
Jerusalem 91-473,
Israel

Cut ferries for benefit of shareholders

From Mr John Faber.

Sir, The once important ferry service connecting Enkhuizen, in North-Holland, with Stavoren, in Friesland, had to face up to the fact that an ever-increasing number of people preferred to take the Afschduik route once the construction of this well-known dam was completed in 1992.

The ferry service accepted it and took the necessary measures, cutting the frequency of the service. Today, there are just two departures a day (three during the summer). Any possible ideas of it staying competitive with the Afschduik were dispelled ages ago.

P&O and Stena would be wise to follow this example on the Dover-Calais route. For the benefit of their shareholders!

John Faber,
2717 BC Zestermeer,
César Franckrode 73,
The Netherlands

Tendency to secrecy would hinder free market in beef

From Mr Tony Clayton.

Sir, Steven Carter's proposal (Letters, May 29) to label British beef and "let the market decide" sounds reasonable, but runs up against real political and practical difficulties.

The beef crisis stems from ministers' failure to adopt proper labelling 10 years ago. Farmers asked for animal feed containing abattoir waste to be labelled, but

the government gave in to the big companies, and blocked this safeguard in the name of deregulation. Some farmers whose cows were affected by BSE could not know what they were buying.

We live in a country where information is not valued in Whitehall. This week's milk scare has shown again that secrecy is its first instinct. Who would trust a UK government labelling scheme to

restore market confidence in the quality of anything?

Perhaps the only measure which might do the trick, and be acceptable to xenophobic politicians, would be to dye beef for export red, white and blue!

Tony Clayton,
75 Bayham Rd,
Sevenoaks,
Kent, UK

Too much rhetoric and too little action by US over land mines

From Ms Ann Peters.

Sir, As Nancy Duce observed ("Clinton to work for an end to land mines", May 17), President Clinton has been strong on rhetoric in "launching an international effort to ban anti-personnel land mines". There was no need to launch an international effort. One has been ongoing for some time and growing in strength. Some 40 countries, including Germany, France and Canada, support an immediate and comprehensive ban on anti-personnel land mines (APMs),

and millions of people around the world have signed petitions to that end.

President Clinton says the US will seek a global agreement to stop the use of all APMs. But why did the US not unilaterally ban the use - as well as production - of all APMs now rather than later? He could have relied on the advice of 15 high-ranking retired US military officers, including Gen Norman Schwartzkopf, commander of Operation Desert Storm, who urged him just a few weeks ago to ban

these weapons as a "humane and militarily responsible step".

One problem with the US policy is the continued belief that the limited military utility of land mines outweighs the greater humanitarian tragedies. President Clinton says "virtually no threat to civilian life once a battle is over". But such mines will still kill or maim civilians for months after they are sown, and areas will remain off-limits until mine-clearers painstakingly prod the land to

ensure that none of these indiscriminate killers is active. It is unfortunate that the US, as well as the UK in its recent announcement on land mines, failed to lead the world with more far-reaching and concrete deeds rather than by words.

Ann Peters,
research associate,
Human Rights Watch arms project,
33 Islington High St,
London N1 9LE,
UK

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In accordance with the provisions of Articles 7 and 20 of the Regulations approved by the CONSOB with Resolution No. 5553 of November 14, 1991, the documents listed below have been deposited at the Company's registered office and corporate offices, located respectively at 15 Via S. Dalmazzo and 23 Via Belfiore, Turin, and at the headquarters and secondary office at 189 Via Flaminia, Rome, where the public may consult them or request a copy thereof:

- Financial statements at December 31, 1995, report on operations from the Board of Directors, report of the Statutory Auditors, Independent Auditors' certificate and consolidated financial statements at December 31, 1995; and

- Minutes of the Annual Shareholders' Meeting of May 3, 1996, approving the 1995 financial statements.

The above documents have also been deposited with the Stock Exchange Council, where they are available upon request.

Anyone who wishes to obtain additional information may call +39-6/36001273 or 36001274 or 36001275.

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STET

The awkwardness starts with the handshake, the most basic of all political gestures. There is a split second of hesitation every time. Senator Bob Dole stretches out his good left arm, and the voter must decide.

Will he shake with his own left hand and suppress the natural reflex to grab the candidate's right, crippled by a war wound? Or will he choose the almost feminine gesture of holding hands, his right hand in the senator's left? Either way, a crucial split second of spontaneity is lost.

Compare the handshake of President Bill Clinton, the most famous in US politics. The anonymous author of the bestselling Washington novel *Primary Colours* has immortalised it, describing how Governor Jack Stanton, Clinton's fictional double, uses both hands to grab, stroke and pump.

"He's interested in you, he's honoured to meet you... [he] flatters you with the illusion of conspiracy," says the narrator, in words that capture the real-life president's technique. That grip is central to candidate Clinton's routine of political seduction. For Mr Dole, it is a physical impossibility.

Yet the handshake is, strangely, almost as powerful a tool for the Republican senator as for his Democratic rival. It defines the central message of the senator's campaign: that he is not Mr Clinton. For many - perhaps most - Republican voters, that is the main fact

A handshake away from the presidency

Bob Dole's physical awkwardness contrasts with Bill Clinton's smooth campaigning, says Patti Waldmeir

that recommends him as president. The senator spent the past week underlining the difference on his first important campaign trip since announcing his forthcoming resignation from the Senate.

Mr Dole's aides have accepted that their candidate's campaign will never have the qualities that his handshake lacks: passion, force and split-second timing. The stiffness in his body language goes well beyond his physical handicap. Almost everything about his performance is curiously, sometimes disarmingly, awkward. He is notoriously inarticulate: a campaign speech is an obstacle course littered with verbal hurdles over which to stumble. His rhetorical gestures are almost always mistimed. His speeches do not so much build up to a climax as sink to an end. He concluded one earlier this week with the stammering exclamation, "So".

A man of wit and humour in private, candidate Dole's jokes seldom succeed. He has taken to saying on the stump that he wants to be president because "every country ought to have one". That is humour which strays into dangerously serious territory for voters who struggle to find any better reason why they should elect him. His aides have no choice but



Wave of support: Bob Dole delivers an address on crime during a downpour on the campaign trail in Aurora, Colorado

to make a virtue of these weaknesses. The Dole campaign spokesman, Nelson Warfield, celebrates the senator's stiffness as an asset. It proves that "Senator Dole has something Clinton doesn't: authenticity", he says. At least in performance terms, that is obvious; no one could fake such awkwardness. Mr Dole was ped-

dling his message of authenticity last week at a time when Mr Clinton was vulnerable on the veracity front. Before the senator's aircraft touched down in California - the most powerful American state electorally - a judge in Little Rock, Arkansas, announced the conviction of Mr Clinton's former business partners in the White-

water trial. Some voters obviously thought the verdict was tantamount to a declaration of no confidence in the truthfulness of the president, who gave testimony on the defendants' behalf but was not himself on trial.

On such a day, it was not difficult for Mr Dole to raise doubts about the president's character. He ridiculed Mr Clinton for making electoral promises he does not keep, managing to imply that the president was untrustworthy and deceitful, without ever mentioning Whitewater. It was a subtle form of character assassination, just the kind Mr Dole must use to close the gap in opinion poll support

between himself and the president (a CNN poll published on Thursday showed that gap narrowing, but still gave Mr Clinton a 16 percentage point lead). Mr Dole may ridicule Mr Clinton's ability to produce emotion on demand; but the ready tear in the presidential eye is likely to remain a big asset of the Clinton campaign. Americans demand a level of sentimentality from their politicians that Europeans find cloying. Contemporary culture favours the earnest emotionalism of the president over the adult reticence of the senator.

On the campaign trail this week, Mr Dole tried hard to overcome that, with mixed results. Rather than rush away from campaign venues as in the past, the senator took time to press the flesh, to show the human side of the man who is to many just a personification of legislative Washington. But on Thursday, this strategy backfired rather badly; the senator spent the morning on walkabout, striding the pavements of Michigan Avenue in Chicago, the ritziest shopping district in the Midwest. He stopped at an Italian shoe shop to buy a handbag for his wife. It went fine.

straight on to the slums of south-west Chicago, where the window displays are invisible behind security grilles. He did not go there for a walkabout. He went to talk about domestic violence, oblivious to the fact that, by choosing an all-black neighbourhood for the event, he was delivering a subliminal insult to minorities.

It was as though he were saying only black people beat their wives, and he emphasised that message by explicitly blaming domestic violence on the welfare system, which primarily benefits black and Hispanic recipients. He was challenged by a Hispanic social worker who said such violence knew no colour but the purple of wifely bruises. Mr Dole mumbled something to concur, but the damage was done.

He sought refuge in his motorcade, only to have second thoughts and emerge to shake a few black hands to match the white ones on Michigan Avenue. But his heart was not in it: unlike the president, who would have spent his time publicly bonding with the victims of domestic violence, candidate Dole could not feel the neighbourhood's pain, or even pretend to do so. He shook the hand of a man who said he was jobless, but then could find little to say to him. Within moments, he was back in the motorcade, and gone.

Such are the moments when stiffness is a handicap, not an asset. There are times when just being the anti-Clinton is not enough.

The water sector's share price sparkle may be short-term, warn Leyla Boulton and Jane Martinson

When politics and regulation surface

Water company executives recall with fond nostalgia how their business used to be known as the "silent industry". These days the roar is deafening. Privatised in 1989, the water and sewerage companies of England and Wales have been in the headlines ever since details emerged of large pay increases paid to top executives. But last summer's water shortages - caused by a mixture of drought and bad management - have redoubled the criticism of the companies.

With fears that such sentiments will encourage a crackdown by the industry regulator or a future Labour government, water company shares have recently turned in a lacklustre performance. But this week, a flurry of takeover bids and rumours has driven up share prices and reawakened interest in the sector.

"At the moment, the focus is on takeover activity, the results and good dividends," says Ms Angela Whelan, water analyst at Credit Lyonnais Laing, the stockbroker.

Since January, water shares have been underperforming against the stock market as a whole - falling 10 per cent below the stock market average in April. This has encouraged companies to announce higher-than-expected dividends in an industry that has in any case offered higher yields than most other sectors. The sector's prospective yield for 1996-97 is forecast to be about 56 per cent higher than the

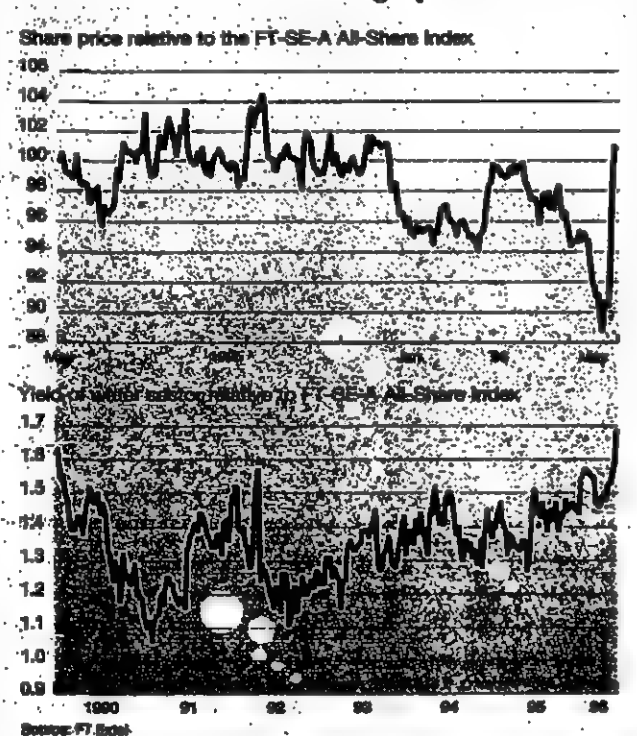
market average. On Tuesday, Scottish Power, the electricity company, announced a £1.5bn takeover of Southern Water, which was followed closely by a higher offer from Southern Electric. Shares in the sector shot up on the news that water companies were now the targets for other utility companies - raising the prospect of greater interest from abroad and a wholesale restructuring of the industry.

This appears temporarily to have outweighed fears of increasing political or regulatory intervention which have been holding back the sector. The main fear has been the possibility of a Labour victory in the next general election, which must be before May 28. Labour has made frequent attacks on "fat cat" executive pay and big profits in all the privatised utilities. And it has talked of introducing a one-off "windfall" tax on profits.

For the water companies, the party is considering fines on companies that fail to supply water and an adequate service. A report to the party's National Policy Forum earlier this month argued for curbs on profits to replace price caps. And the party has called for a moratorium on mergers while companies sort out supply problems after last summer's drought.

Some industry executives argue the party's bark may be worse than its bite. Mr Chris Mellor, finance director of Anglian Water, which supplies eastern England, says Labour politicians "when confronted

UK water sector: bubbling up



with the reality of power... will make the right decisions - which may be different from what they've said in opposition." And Mr Lakis Athanasiou, analyst at UBS, the stockbroker, believes the market has been "over-indulgent in political risk". But others believe Labour might throw obstacles in the way of mergers. They see the current round of activity as an attempt to push through take-

overs before a change of government. Mr Robert Miller-Bakewell, analyst at NatWest Securities, says he expects "companies to bid soon and bid early to cut in on the process before an autumn or a spring general election". There are also fears that the industry regulator will take a tougher approach to the water companies - whether or not there is a change of government. Profits are still buoyant

with expectations of further share buy-backs high.

When it became clear last year that the power companies were subject to a price cap that had turned out more generous than anticipated, Prof Stephen Littlechild, the electricity regulator, forced through higher price cuts. More recently, Ms Clare Spottiswoode, the gas regulator, imposed much tougher price controls on the companies that will be formed by the demerger of British Gas. Mr Brian Staples, chief executive of United Utilities, a company which supplies water, electricity, gas and telephone services, says Ms Spottiswoode had sent "cold shivers down everybody's back".

However, "too much can be read across from gas", according to a water analyst who declined to be named. Mr Ian Byatt, director-general of Ofwat, the water regulator, has so far been the most consistent of the regulators.

But Mr Byatt has stepped up pressure on companies to improve service to customers after last year's water shortages. On Thursday, he called for more generous compensation when supplies dry up. And he said most companies had failed to do enough to tackle leakage from their pipes, losing an average of 25 per cent of their supplies last summer.

His officials warned that companies which fail to reduce leakage to acceptable levels will not get permission to raise prices to finance new investment. While the next review is not due until 2005, he has the

option of a mid-term review at the end of the decade.

Ms Dilys Plant of Ofwat says customers cannot be expected to pick up the bill for incompetent management. "A lot of companies didn't get their supply and demand forecasts right. These companies carry some risk and if they don't get everything right they can't come back to us and say please can we have some more money."

It is last summer's drought that has finally started to shake up the industry's management. The board at Yorkshire Water stepped down after its failure to plan for adequate supplies which led it to bring water in by road tanker at a cost of £47m. And South West Water replaced a top executive after difficulties with supplies and losing its fight with the regulators over its price cap.

Mr Mellor from Anglian, a company praised by the government and Ofwat for its drought management, says the crisis had driven the industry to place more emphasis on pleasing the customer. "The penalties for not doing that have been huge, with boards disappearing and so on," he says.

Pressure on the companies to improve their performance both for shareholders and customers is unlikely to abate. The bid speculation and the forthcoming profits announcements are expected to keep the share prices up in the short term. But in the longer term political and regulatory concerns are likely to resurface.

Channel battle with only one winner

The cut-throat competition between Eurotunnel and the ferries means more bargains for travellers, writes Charles Batchelor

Mike Almond set off from London yesterday evening with his wife and nine-year-old son for their regular trip through the Channel tunnel to their cottage near Boulogne in France. Mr Almond uses the tunnel most weekends and is one of 100,000 Eurotunnel customers to make at least six annual crossings.

As a Eurotunnel shareholder, Mr Almond gets a 50 per cent reduction on the ticket price and is a dedicated user of the service after years of suffering what he describes as the overcrowding and inconvenience of the ferries.

He needs no convincing of the tunnel's attractions, but other travellers clearly do: from today, Eurotunnel, the tunnel operator, is seeking to lure extra customers with new discount fares.

Earlier claims that it would not descend to a price war have been dropped. The company is now slugging it out with the ferries in the bargain basement in an attempt to pay off its £20m (£150m) debt.

Holiday motorists from the UK planning their fortnight in the sun this summer will have an unprecedented choice of cut-price travel deals and duty-free fares. Travellers will also have the pick of up to 60 ferry sailings a day and more than 100 "shuttle" train departures through the tunnel.

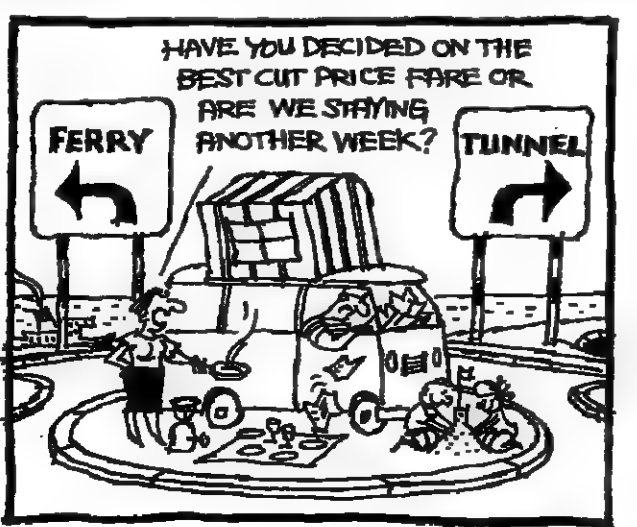
Travel agents have welcomed the boost that the price cuts will give to the French holiday market, despite the fact that lower fares will mean

lower commission earnings. "If this were a normal year, I would be unhappy but France is struggling because of the strength of the franc. This will give France a kick-start," says Mr Chris Rees, commercial manager for Thomas Cook.

The bargain tunnel price that caught the headline writers' eyes was the £49 per car offer available to day-trippers who are prepared to board the shuttle train at 6am and return by midnight. For those who want to leave home in daylight, the day-return price rises to £59.

At least a quarter of travellers who use the shuttle do so to buy duty-free or cheap drinks and cigarettes, frequently travelling from points as far away as Exeter, Manchester and Liverpool. "We have expanded the market for duty-free trips," says Mr Dominic Fry, Eurotunnel's communications director.

But the main target of Eurotunnel's present discount offer is not the "booze cruise" voyager but the family holidaymaker. Such travellers are now being offered an economy fare of £109 if they are prepared to set off between 10pm and 6am, rising to £129 for travel after 6am, compared with the previous price of £256.



ers are going on holiday."

For the traveller who is prepared to book 14 days in advance, there is an Apex fare for £99, regardless of the time of day.

P&O and Stena, the tunnel's two main ferry rivals on the Dover-Calais route, have dismissed its latest price reductions. They claim that while some ferry brochure prices may be higher their special offers and in some instances their regular fares still undercut Eurotunnel.

"They've come down to the fares we were offering anyway and on the key fares we are still cheaper," says Mr Brian

Reece of Stena, which is offering a day-trip rate of £15 per car plus £1 per passenger until the end of June, when rates rise to £19 per car and £4 per passenger. For the two-week holidaymaker, Stena still offers the best rate of £88.

Meanwhile, P&O has a £16 fare for a car with driver for day trips. Its standard return fares start at £149 but are now approaching their high-season rates of £255.

Ticket prices help to persuade travellers to choose either tunnel or ferry but duty- and tax-free sales provide another important incentive. Eurotunnel, which is not

allowed to sell duty-free goods on its trains but can do so at its terminals, slashed prices by one-third last September.

It has expanded the duty-free sales areas at its terminals and introduced a range of VAT-free items as well. A litre of Gilbey's Gin sells for £4.66 compared with the average high street price of £14.15.

Once on the shuttle train, the traveller experiences a very spartan service, waiting in or beside his car in a brightly lit aluminium box, although Eurotunnel is considering installing interactive terminals to allow travellers to place duty-free orders.

But the ferries too are continually improving the quality of service. Stena is spending £8m on upgrading the Stena Emperor, which is to be moved from the Baltic to the Channel next month.

But financing these improvements is difficult while the ferry companies remain locked in competition with each other. As a result, P&O, which claims 33 per cent of the Channel market, applied to the government last month for permission to reopen talks about merging its cross-Channel operations, but denied it had a specific partner in mind.

Stena, which would be an obvious ally, says it has no need of a partner following the end of its long-standing agreement with SNAT, the French state-owned ferry company.

But the ferry companies will not be able to continue indefinitely with the present number of daily sailings. P&O's first-quarter earnings were badly affected by competition from the tunnel, and both companies depend on duty-free sales rather than ticket revenues for any profits they do make.

Eurotunnel has stopped publishing market-share figures because they caused disputes with ferries over accuracy but it does still claim "undisputed" leadership of the market. The ferries say the tunnel peaked at 45 per cent of traffic at the end of last year and has since fallen back to 35-40 per cent.

Both the ferries and the tunnel have plenty of spare capacity, provided their pricing policies can persuade more travellers to use them at quiet times. Because it has to share capacity in the tunnel with freight services and the Eurostar long-distance expresses, Eurotunnel is restricted to four departures of its car and passenger shuttle trains an hour but says that is sufficient.

For the ferries the opportunities to make further price reductions while maintaining profitability have probably been exhausted. But the tunnel, which cost a lot to build but is relatively cheap to run, could reap benefits from attracting more travellers with additional fare cuts. There is a good chance that the discounts on offer for the summer will be continued into the autumn.

A dangerous country to do business in

A wave of kidnappings has hit the Philippine capital Manila

Tourists and business executives arriving at Manila's international airport will soon be given a standard safety leaflet. The advice sheet, which is being drawn up by the Ministry of Tourism, will tell visitors how to avoid being kidnapped during their stay in the Philippines.

Among other tips, the new arrivals will be warned to avoid certain types of taxis, to refrain from getting out of the car if it has been bumped by a vehicle from behind and to avoid conspicuous displays of wealth.

Sensible advice anywhere in the world, it might be supposed. But in the Philippines - recently rated as the most dangerous country in east Asia to do business by the Political and Economic Risk Consultancy in Hong Kong - the kidnapping racket has become something of an institution.

There have been over 800 kidnappings since 1993 according to official statistics, and hundreds more if independent monitoring groups are to be believed.

What the Hong Kong consultancy failed to mention, however, was that almost all the victims are of Chinese origin. Making up about 10 per cent of the Philippines' 85m population but accounting for 60 per cent of its wealth by stock market capitalisation, Chinese-Filipinos are the prime target for kidnapping syndicates operating in Manila. The Chinese tendency to invest in liquid assets and their dominance in the banking sector heighten their attractiveness to organised and money-hungry ransom gangs.

Mistrust of the local police - most Chinese are convinced that corrupt police officers take a cut from kidnapping revenues - means that few cases make it on to police records. "It is a catch-22 situation," said Mr William Chua, a partner in the Yorac Arroyo & Chua law chambers and a Chinese-Filipino. "What is the point of complaining to your kidnappers about being kidnapped? That is just tempting fate."

Mr Chua, who is typical of middle-class Chinese in Manila in forbidding his children to leave home without armed protection, shares the widespread view that the authorities will do little to crack the syndicates while it remains a predominantly Chinese problem.

The last time an American was kidnapped for money in Manila was almost 10 years ago. The response was swift and punitive. Within 24 hours, the victim had been freed. His captors were executed on the spot.

"It is difficult to avoid the conclusion that kidnapping is basically targeted at one specific group in Manila," says Mr Adrian Thorpe, British ambassador to the Philippines. "We don't think there is any cause for panic among foreign businessmen but neither is there cause for complacency. A lot of

British businessmen have 24-hour security guards at their residences. I think that is quite a sensible practice."

At the Saviour School in Manila's Greenhills - one of the many suburbs for the rich surrounded by barbed wire and known as "golden ghettos" - school closing time is a high-security manoeuvre. Dozens of the school's Chinese and Filipino pupils are picked up by discreetly armed guards in dark glasses and forbidding scowls.

Precautions for adults are almost as stringent. "My first rule is only to visit Manila when it is absolutely necessary," says Mr Benson Dakay, the country's largest seaweed exporter based in Cebu, central Philippines.

"Second, only come to Manila on unscheduled flights. And third, vary my routes from the airport, vary where I stay and minimise the number of people I inform."

Ms Teresita Ang See, head of a Chinese anti-kidnapping group and target of several aborted abductions herself, believes there will be no end to the kidnapping problem until the police is reformed root and branch. Kidnapping syndicates, she says, have become so confident that they are starting to accept cheques from their Chinese victims in lieu of ransom cash.

Ms Ang See is viewed askance by the authorities, but Mr Robert Barbers, a former police colonel and newly appointed secretary of the interior, appears to be heading her advice.

"We believe Manila is as safe a city as anywhere - which is not to say that there aren't any seamyways in the police," he says. "In my first month, I have removed 150 detectives for corruption. We intend to continue rooting them out wherever they are."

With foreign direct investment increasing by 40 per cent a year, the kidnapping wave has evidently not stopped businesses from putting capital into the Philippines' growing economy. Among leading foreign investors, the Taiwanese have not yet been deterred from investing in the Philippines by the abduction of several of their compatriots - most recently the 18-year-old son of a diplomat who was released last month for a ransom of 1m pesos (\$40,000).

Failure to stem the problem, however, could cast a pall over the country's otherwise impressive economic turnaround. "Chinese-Filipinos are not going to start switching their capital from real estate investments to more productive manufacturing-type ventures until they feel a lot more secure," says Mr Chua.

"Whichever way you look at it, ignoring the concerns of the country's most dynamic business community cannot make good business sense."

Edward Luce

Weekend FT

As Michael Howard seeks to send more people to jail for longer, Mark Suzman examines the UK's penal policy and finds it failing the Winston Churchill test

The rights and wrongs of locking up more criminals

"The mood and temper of the public in regard to the treatment of crime and criminals is one of the most unfailing tests of the civilisation of any country."

Winston Churchill

If the nation's leading judge is to be believed, the test that Churchill set in 1910 when home secretary is one that British society is failing. Lord Taylor, the outgoing Lord Chief Justice, has recently launched a furious tirade against the prisons policy that Michael Howard, current home secretary, says the public is demanding.

And Lord Taylor is not alone. His criticisms have been widely echoed by other senior members of the bench and a diverse array of lawyers, politicians and prison officials. Even the Archbishop of Canterbury has ventured on to secular ground to challenge a system weighted "too heavily in favour of imprisonment".

The immediate objects of these attacks are the government's proposals, currently circulating in a white paper, to introduce a variety of mandatory sentences for criminals, ranging from life sentences for second-time violent offenders to tougher minimum sentences for drug dealers.

But underlying the furore is a much deeper debate about the proper role of prison in the criminal justice system.

Over the past three years the UK's prison population has expanded rapidly from just over 40,000 to its current total of 54,000. Even Howard admits the new proposals will lead to a further rise of at least 11,000 inmates, and independent analysts calculate that they could increase what is already Europe's largest prison population by up to 30,000.

With prison space and money both at a premium, the inevitable corollary is overcrowding, declining prison conditions and growing despair among prisoners.

"Things aren't too bad yet, but the real problem is that the mood is rapidly deteriorating."

says Andy Chaplain, a former inmate, who was recently released after serving four years in three prisons. He now works for a Birmingham helpline for prisoners' families, and warns: "If people think there's no hope of more improvement, suicide and violence will both rise."

But the thought that his policies are upsetting convicted criminals is more comfort than concern for the home secretary. Exploiting populist images of prisoners jolling

Detailed instructions used to be issued to prisons on how to make food taste and smell bad

around watching television, Howard says he is merely following the will of a public sick of lenient judges and permissive prison regimes.

That may be true. Opinion polls consistently show that most people favour retribution and deterrence ahead of rehabilitation as goals for punishment. As Norval Morris, a law and criminology professor at the University of Chicago, writes in the recently published *Oxford History of the Prison*, the public "has always overwhelmingly supported whatever punishments were inflicted as a means of reducing or preventing an increase in crime".

But if attitudes to punishment have been relatively unchanging, its form has not. The widespread use of long-term imprisonment is a relatively recent invention. Historically, alternatives have included whipping, mutilation, deportation and branding, as well as forms of execution ranging from hanging and drowning to decapitation.

For the greater part of the last century, however, in

Britain as in most western democracies, prison has been the favoured form of dealing with criminals. At the same time, driven by a mixture of humanitarian and pragmatic impulses, conditions within prison have improved out of all recognition from the fetid cells that characterised latter-day Victorian England.

Some of Howard's critics feel, however, that when he talks approvingly of a "decent but austere" prison environment, it is such an environment he envisions. After all, his proposed prison building programme would be the largest undertaken in Britain since the triple imperative of "hard labour, hard board and hard fare" - goals derived from the 1865 Prisons Act.

That law was itself a response to growing public outrage at the "indulgent" treatment of prisoners. It sought to make prison life a regimen of misery and pain so unpleasant that it would act as a genuine deterrent to crime. Clothing was deliberately rough and ill-fitting and prisoners were forced to exhaust and injure themselves by walking on treadmills or turning the crank for between six and 10 hours a day. Worst of all were the poor diets - detailed instructions used to be issued to prisons on how to make food taste and smell bad.

It was this latter aspect that Oscar Wilde found unbearable during his own imprisonment in Reading jail, prompting his evocative descriptions of "lean hunger and green thirst". Michael Davitt, the jailed Irish nationalist turned MP, recalled seeing men eat candle ends, boot grease and even a used pothole to stave off hunger pains.

Even those dire conditions, however, conspicuously failed to reduce crime significantly, let alone stamp it out. Recognising this, penal philosophy began to change after the turn of the century and prison regimes have improved steadily, albeit in fits and starts, along with the general rise in living standards.

The most recent burst of

reformism came only five years ago in the wake of the Strangeways prison riots in 1990, and followed a full inquiry into the prison service drawn up by Lord Justice Woolf, who is about to become Master of the Rolls, and Judge Stephen Tumim, then chief inspector of prisons.

Motivated by the humanitarian impulse to improve cramped and squalid conditions, the practical need to avoid further prison riots and the desire to equip prisoners with the skills to resume respectable roles in society upon release, the report recommended a wide range of measures to improve prison life.

These included a strict injunction against overcrowding, phasing out the humiliating and unhygienic practice of "slopping out" - using chamber pots in the absence of modern plumbing - improving facilities such as libraries, increasing time spent on education and training, and extending home leave arrangements.

By and large, the government accepted the report's

recommendations and incorporated them in the 1991 Criminal Justice Act. In subsequent years the prison service has met most of its targets in these areas and the results have been salutary. Overall, escapes, assaults and suicides have all fallen.

Since Howard became home

Nearly 60 per cent of prisons are already having to cut services such as education

secretary, however, this has been taking place against the backdrop of a tighter budget and a government agenda that has switched back to old-fashioned criminal deterrence. The inherent contradiction between those two goals has now been exposed.

As things stand, the prison service is facing a 13 per cent budget cut over the next three

years, and even the government recognises that this makes the worsening of prison conditions all but inevitable. The latest Home Office spending plan, for example, puts forward the goal of ensuring prisoners have proper access to sanitation at all times - but attaches the telling proviso "provided the prison population does not increase significantly above current projections".

Such an increase is virtually certain if the current sentencing proposals become law, and the risk is that prisons could become little more than "warehouses" - institutions of incarceration with scant regard for living conditions, let alone rehabilitation. It was this fear that recently prompted Judge Tumim to warn that the home secretary's policies were "leading on the road to the concentration camp".

Howard denies these charges and says that the government will delay the rise in prison numbers by phasing in the sentencing changes. He is also confident new prisons will be built in spite of cutbacks by

using private finance. But the taxpayer would still have to fund the service and few prison officials are convinced that the money will be forthcoming. As things stand, nearly 60 per cent of prisons are already having to cut services such as education.

Some experts are worried that the whole programme is being implemented on a premise that remains completely unproven. As Professor Andrew Rutherford, chairman of the Howard League, a prison reform group founded to commemorate the great 18th century prison reformer John Howard, points out: "The 1991 policies have been ditched and the new proposals announced

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John Plender

Guards at the gates of power

Labour's ambition is sparing Major any statesmanlike opposition to his absurd beef war

The wisdom of 19th century Whigs on the duty of the opposition could, according to Lord Derby, be summed up cynically and simply: oppose everything and propose nothing. After a week in which Labour has signally failed to offer a clear-cut alternative to the Tories' banana republic diplomacy in Europe, that minimalist view seems to have achieved a new degree of refinement: oppose everything, apart from anything tricky.

There are few more accomplished purveyors of parliamentary invective than Robin Cook, the shadow foreign secretary. Think what he might have done with a war cabinet fulminating over gelatine, tallow grease and bull's semen. Instead of bringing ridicule to this Lilliputian enterprise, he has been outlining his agenda for maximising the benefits of Britain's position in Europe, while simultaneously offering (marginally qualified) support for a government policy on beef that can only minimise those benefits.

What makes this stance even odder is that it goes so much against the grain. In a

thoughtful article on the intellectual underpinning of Labour policy in the latest issue of Prospect magazine, Tony Blair declares that Britain's place in Europe and the rest of the world is one of two big questions to which his party must provide answers. So why is there no room for statesmanlike opposition to John Major's absurd beef war?

Perhaps those of us who are not exposed daily to the tabloids have a poorly informed grasp of British interests in Europe. Hum. In fairness to Labour, the task of educating both the electorate (and newspaper editors) in the complexities of multilateral diplomacy is a relatively new discipline in British political life.

More importantly, Blair's aspirations, in relation to Britain's role, look dangerously ambitious. Since the collapse of the Berlin Wall, no country's place in the world can be taken entirely as read; and since the rise of the Asian economies, even Europe's place in the sun is disputed. The best hope for an unambiguously constructive Labour move from "oppose" to "propose" mode may thus come

from the second question raised by Blair's article in Prospect: how do we construct a new relationship between the individual and society in an era of rapid change?

The most important part of the centre-left answer lies in the stakeholder economy. This rests on the notion that the prevailing insecurity, especially in the labour market, is best addressed through the creation of an inclusive community where private contract plays a lesser role than the informal bonds and constraints of civil association.

Such a doctrine does not, it has to be said, lend itself to tabloid headlines. But it does have political resonance in a world where incomes have become very unequal and an antidote is needed to the likes of Nick Leeson, the embodiment of Thatcherite individualism taken one logical step beyond the legal norm.

The snag is that while no one advocates slavish adherence to the habits of Germany or Japan, these models still raise formidable conceptual and practical difficulties. For a start the preservation of German inclusiveness before uni-

fication depended on treating guest workers as non-citizens and women as second class citizens, notably in the labour market.

Since unification, social cohesion has been preserved in the west only by inflicting an uncompetitive exchange rate on the east. This political

What has stakeholding to offer? Not much before the election, it would appear

and economic fix, engineered at the behest of West Germany's powerful unions, ensures that east German workers are excluded from participation in anything other than a depressed regional economy.

As for Japan, the country's best companies are indeed run in the interests of stakeholders, and more especially the employees. Yet the proportion of the workforce that ben-

efits from lifetime employment is relatively small. Outside the large companies in the tradable goods sector, Darwinism prevails and the labour market is harsh. Minorities such as the Koreans and even the few remaining ethnic Japanese, the Ainu, are not kindly treated.

If Labour is to invest the idea of stakeholding with real meaning in a British context, it has to amount to something more than this kind of limited, privileged inclusion. It follows that the dividing line between the welfare system and the labour market should be redrawn to remove the present constraints on upward mobility. That brings us back to all the old questions about the incentive effects of means-testing versus universalism. What has stakeholding to offer here?

Not much before the election would appear to be the answer. Only a short while ago, Chris Smith, shadow social security secretary, was told by Tony Blair to go away and think the unthinkable. In the light of recent statements, the full text must have read: think the unthinkable, but don't dare speak the fiscally

unspeakable. Gordon Brown, the intimidating Cerberus who guards the gates of political office will have none of it.

Radicalism in this area has to be as much about taking as giving - witness Mr Brown's position on child benefits. Or it remains the preserve of Frank Field, who will shortly reveal actuarially approved figures for the cost of his plan to rebuild the pension system with much greater compulsory private participation. It is not clear whether his locus in the debate is, as the philosophers would say, necessary or contingent.

This side of the election, stakeholding cannot be allowed to mean more than Fabian gradualism, mixed with Scottish puritanism. After Labour's experience with its tax proposals before the last election, who can blame Mr Blair? For the record, I should declare that I had a refreshing conversation at Westminster this week with a Labour politician who gave straight, radical answers to all my questions. But then Tony Benn (for it was he) has long since abandoned the active pursuit of power.

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PERSPECTIVES

The Nature of Things

Find the rhyme and then the reason

Andrew Derrington on why teaching children to read is more than a matter of logos and trademarks

Some years ago, a three-year-old boy surprised a friend of mine by identifying the make of her new car. Asked how he knew, the child said, "I read it", and repeated the manufacturer's name while pointing to the logo on the hubcap.

However, as the little boy no doubt began to discover shortly afterwards, deciphering written English is much more complicated and infinitely more flexible than recognising logos and trademarks. Once we know "phonics", as the rules that link written letters to sounds are known, we can read and pronounce words that we have never seen before.

We can even give consistent pronunciations to nonsense words invented by researchers studying reading abilities.

Teaching children how to read English is a subject that excites heated debate among parents, teachers and politicians.

About 20 years ago, the traditional approach of teaching phonics was discredited because it was too

difficult for many children.

A new method was introduced. Instead of being taught a host of arbitrary rules (and exceptions), children were given real books to read. The stories were exciting enough to engage their attention, making it possible to guess those words that they did not know.

Almost overnight, learning to read stopped being difficult, boring and hard work and became an exciting combination of storytelling and guesswork.

The "real books" method swept across the US and the UK. But it has now become clear that it does not suit all children, provoking a backlash in favour of traditional phonics.

However, researchers have also been studying how children learn to read. Usha Goswami of the Department of Experimental Psychology at Cambridge University says that not only can research explain why traditional methods are difficult for some children, it can also suggest improvements.

Several studies have shown that awareness of phonology - how the sound of a word can be broken down into component sounds - is fundamental to success in learning to read. Children with poor phonological skills have difficulty learning to read.

According to Goswami, 80 per cent of dyslexics have poor phonological skills and the remainder

have a visual problem. John Stein of the Department of Psychology at Oxford University suggests that both the visual and the phonological problems of dyslexics have a neurological origin.

Awareness of alliteration and rhyme are among the first phonological skills to emerge.

Children usually learn to break a word into its component syllables, and to separate a syllable into its onset - any consonants that precede the vowel - and its rime - the remainder (not to be confused with rhyme) - before they go to school. (Naturally, readers of the FT will all be able to identify rimes and onsets, but an example may help to clarify the terminology: the onset

of the word "right" is "r" and its rime is "ight".)

According to Goswami, children with good phonological skills use rhyme analogies to work out how to pronounce unfamiliar words.

English spelling is much more regular at the level of the rime - there are 30 words that share the rime "light" and it is pronounced the same way in all of them.

Traditional phonics concentrates on single letters and phonemes, the smallest units of words. There are several reasons why this causes difficulties.

First, the ability to split a word into phonemes does not develop until children have been learning to read for about a year. It never

develops in people who do not learn how to read, although illiterate adults and pre-school children can usually do tasks based on rimes and onsets and use similarities between rimes and onsets to help them to pronounce new words. For example children are more likely to use the similarity between the words "beak" and "peak" - which have the same rime - than "beak" and "beat" which have the same number of phonemes in common but different rimes.

Second, single phonemes, particularly consonants, cannot be pronounced in isolation. The "b" and the "g" in bag come out as "buh" and "guh". It is not immediately obvious to a child that "buh" fol-

lowed by "a" and then "guh" should be pronounced "bag" rather than "huaguh".

The irregularity of English spelling is also a problem. This is probably the most important reason for the failure of traditional phonics. The method continues to be successful in languages with regular spelling, such as Spanish and Italian.

Goswami recommends that teaching strategies should aim both to enhance children's phonological skills and also, much more importantly, to exploit these skills as they develop. She is editing a series of children's books to help children use rhyme and analogy to learn to read.

Sadly, neither the rules of phonics nor an awareness of rhyme and analogy would have helped our precocious three-year-old to read the name of my friend's car: it was a Renault.

*Rhyme and analogy story rhymes, Usha Goswami, OUP 1994. The author is professor of psychology at the University of Nottingham.



John Elliott with two of his slurry stirrers

Pete Pater

Minding Your Own Business

Stirring muck to make money

Clive Fewins meets a farmer who is finding a challenge in developing a range of slurry stirrers

Farmer John Elliott describes himself as "one of those people who cannot walk past a machine without wanting to take it apart". When he took up farming in 1980 and moved with his family from Surrey to the south Devon village of Loddswell, he could not find an efficient machine to stir the manure in his slurry pit.

"I could not understand how neighbouring dairy farmers put up with using tractor-driven machines that were ridiculously time-consuming and inefficient and needed a huge amount of fuel for very little end result," he said.

"Slurry is extremely important to beef and dairy farmers as it is spread on the fields as fertiliser where it helps to feed the worms and to grow prime grass for hay and silage. If it is not stirred well before being extracted, it is almost impossible to spread and the quality becomes patchy."

In the mid-1980s he experimented with new designs. But in 1988, a financial crisis, following several bad summers that resulted in poor feed crops, almost put him out of business.

It was not until the following year,

when he received a cash injection of £200,000 from the sale of his shares in the family-owned south London cleaning supplies company, of which he had been a director, that he was able to take the project forward.

It is a venture that has engrossed him for the past six years. He has built and sold 165 machines, but has yet to make large profits.

In April, Elliott again thought tough times were upon him. "Following the BSE scare, the phone almost went dead. I did not receive a single inquiry, let alone an order, for a slurry machine for six weeks," he said.

Business picked up and the order book is now quite healthy. However, Elliott often contemplates the wisdom of the decision he took in 1980 to sell his herd of 65 prime Jersey cattle and concentrate on the machinery.

He converted a 2,000 sq ft silage barn into a workshop and set up a small assembly line. There was minimal capital outlay as he used farm welding machinery and all the main parts were made elsewhere and bought in.

Elliott's new stirrer was a simplification of his original machine, which had a shaft and a housing. The new

machine did away with the shaft, using the tubular housing to rotate and perform the same function. As with the original machine, one end is attached to the rear take-off shaft of a tractor and the other placed in the slurry lagoon with the propeller-like stirring device attached. The new arrangement has enabled Elliott to remove all vulnerable bearings from being immersed in the slurry and also to increase the size of the propeller, which had been limited by the design of the previous machine.

"The machine was much more robust and powerful than its predecessors," Elliott said. "I had undertaken some slurry stirring on a contract basis with my prototype machine, and client farmers said it did more work in an hour than their own machines could achieve in half a day."

He managed to gain his first 10 orders as a result of the contracting work, which helped to ease his financial problems, and also from taking the machine to an agricultural show. He gradually refined the design, and sales steadily increased.

However, it was four years before Elliott was able to draw a salary from Mix'it Slurry Stirrers, as he had named the business by then. The ven-

ture was largely supported by grazing sheep and growing barley on his 45 acres, the money from the sale of his shares in the family company and the salary of his wife, a doctor.

Turnover in the first few years did not exceed £4,000 and the business did not break even until 1993. Before he sold the cattle, the farm had turned over £55,000.

"In a good year, I could make £20,000 profit on the dairy farm. I loved it and still miss the wonderful smell of the Jerseys," Elliott said.

"However, I also loved my slurry stirrers and I decided you cannot love too many things at the same time."

Today, turnover of Mix'it Slurry Stirrers is £20,000 and profits around £10,000. The farm turns over £12,000. Elliott has developed a tower version of the machine, which sells at £4,400 - nearly £3,000 more than his basic machine. But the margins on this version are lower as he is unable to add the same proportion of mark-up as he does on the standard machines.

He is now concentrating on a model that has a separate power source and a telescopic handle. Elliott thinks this version might be suited to slurry handling applications in industries such as water processing and mining.

In both of which there are large slurries that need to be stirred, and possibly the chemical and pharmaceutical industries.

He is also about to embark on his first important French sales campaign. "British farmers have such closed minds. Selling to them has been enormously difficult," Elliott said. "Despite proving to countless farmers that the machine works, I still have great problems convincing others that you can rotate a tube in slurry, transferring 140hp to the task of stirring the mix without mechanical failure."

In France, there is good potential business as the legislation on slurry has just been greatly strengthened. But the French are so keen to support their own producers that I fear it might be even harder to sell to them.

"I find the challenges of developing a range of slurry stirrers fascinating and I think I made the right decision to part with the cattle to concentrate on the machines. But I admit that I have yet to prove the truth of the old adage that where there's muck there's money."

■ Mix'it Slurry Stirrers, Little Chilton Farm, Loddswell, Kingsbridge, Devon TQ7 4BG. Tel: 01548-50292.

Home Truths / Andrew Jack

Chewing over an art form with taste

Understanding the "art" of Gilbert Descoy is about as easy as tracking him down. He has changed addresses frequently, the galleries in which his work has been displayed have closed down, and he is contemplating moving even more inaccessibly to Morocco.

Resolving to meet him after seeing his highly unusual "art" at an open day in a studio in Montmartre recently, I was directed to another gallery. More of his work was on show, but he had just left. The proprietor telephoned three studios before we found him. It took another day to arrange the rendezvous, hours before he vanished again from Paris.

Gilbert Descoy is probably the only sculptor in the world of his kind. He has two unusual characteristics: his tools, which are his teeth and tongue; and his material, chewing gum. None of this is clear when you first glance at his work. Rows of neatly framed boxes each about the size of a book perch on the wall. Every one contains a small sculpture, and below it a photograph surrounded by a series of handwritten sentences.

Amid the displays of other Parisian artists - suspended pieces of burnt wood, imitative lithographs and innumerable abstract oil paintings - it had a certain air of originality. Whether it is art may be open to question, but Descoy has a good story to weave around his work. Although born in France, he spent much of the 1960s in Algeria, as a professor of design. It was there that he says he first became intrigued by chewing gum. In its multiple colours, stuck to chairs and tables by his students, he saw it as a form of graffiti art. He was also impressed by its rock-like durability once dried.

"At the start of the 1960s, the great fashion was to talk endlessly about art," he says, handing me a piece of chewing gum to try. "I was fed up. I just wanted to go out and do it."

He began experimenting, initially creating simple contemporary forms using multi-coloured varieties of gum. But his work began in earnest on September 23 1965. "I decided I had to be more rigorous," he says. "I resolved to produce a work every day." The daily demand appealed to his sense of discipline, while the idea of something passing through his mouth "reminds me of eating".

Ever since, he has indeed chewed away daily, moulding increasingly complex patterns

"blind" - entirely manipulated in his mouth using his tongue alone. Each work takes between 10 and 30 minutes, and is then accompanied by a diary entry, listing how long it took, the flavour of the gum, where he was while at work, and important events taking place in the world at the time.

He began by creating letters of the alphabet, making one each day to spell out words such as *bouche*, *dent* and *langue*. In the last few years, he has produced words in Arabic, and turned to more figurative subjects, including teeth, body parts and whole people - walking, carrying objects, crucified or dead. He is now working on a series inspired by the burghers of Calais.

He has produced nearly 4,000 works, half of them framed, each of them selling for FF1,000, with discounts for

He is not sponsored by gum makers, although some have bought pieces

bulk purchases. "I have never sold a whole month, but sometimes whole weeks," he says. But the market at the moment is not so good, and he has no exhibitions planned. "At the moment people are buying more classical things."

Descoy says: "The Americans and the Dutch tend to be more receptive than the French, who are less trusting. Some people are chewing by the fact that they try to use the mouth like their hands, not for its own qualities like him."

He has not been sponsored by chewing gum manufacturers, although some have bought pieces. "They disagree with my interpretation, they think the gum should be associated with life and once it is framed it is dead."

For him, gum is too often associated with youth. "For me it is a provocation," he says, stressing that he intends to continue chewing until the day he dies.

Continued from Page 1

with barely any debate or considered research."

Part of Michael Howard's motive for pushing through changes that his namesake would have abhorred seems to be purely political. The government sees the new bill as a useful sop to the red-blooded Tory faithful, and also potentially one of the most powerful weapons in its limited electoral arsenal.

Being tough on crime is a traditional Tory posture, but Howard's unflinching support for tougher penal policy appears to be driven by strong personal conviction as well. Most recent Conservative

home secretaries have sought to balance populist calls for retribution with relatively restrained policies, but his tenure has been strikingly different.

"Howard does have a political agenda," observes one associate. "But he also has a belief that prison should be, if not brutal, at least quite harsh. And he does believe that taking people off the streets stops crime."

Reflecting those convictions, the planned Criminal Justice Act would be Howard's sixth main piece of legislation since taking office. And while none have generated as much controversy as the present one, nearly all of them have been to some degree built around his frequently expressed conviction that "prison works".

But does it really? The best case study for assessing the validity of that belief is the US, where bawling jails now hold more than 1.5m people. This is by far the largest per capita prison population in the world and a number that has tripled in just 15 years, quibbled in the last 25.

Although prison regimes vary widely, there has also been in the US a notable toughening in overall standards, with boot camps becoming more common for young offenders and chain gangs for disobedient ones. The death penalty is increasing too and is now legal in 37 states.

More pertinently, it is in the US where, despite equally vocal opposition from the judiciary, mandatory sentencing is furthest advanced. Compulsory

drug sentences date from the 1980s and are now complemented by other policies such as California's famous "three strikes" law, which requires anyone convicted of three felonies to receive a mandatory life sentence.

Already, it has led to life imprisonment for a pizza thief, a man who stole two bicycles and a number of marijuana smokers.

At the same time, the belief that juries might prove more reluctant to convict when the punishments are so harsh appears unfounded, and there has been no popular move to repeal the law. Many other states now have similar legislation on their books and even the federal government has instituted a version of its own.

In consequence, arrests have soared and both courts and the prison system have become gridlocked. Enormous prison building programmes have given rise to what has been termed the "prison industrial complex" - a self-reinforcing alliance of private prison companies and lawmakers with an agenda of continuing the expansion of the prison system.

Part of the reason for this building bonanza is that crime has started to fall in most big US cities, and politicians have not hesitated to link this happy circumstance with the rising prison population.

But the correlation is far from proven. In his attacks on Howard, Lord Taylor dismissed the notion that US sentencing practices helped reduce crime as little more than "wishful thinking". Most academic research seems to support him. "In both the US and the UK over the last 20 years one of the few things on which researchers have agreed is that the certainty of punishment is a stronger deterrent than the type of punishment," says David Faulkner, senior research associate at the Centre for Criminological Research at Oxford University.

"Of course locking up huge numbers of people in America has some effect on crime but it's very expensive, and it's not proof that either tougher sentencing policies or prison regimes are successful."

Morris is even more scathing: "It is political irresponsibility that has generated the cancerous growth of imprisonment," he asserts.

Irresponsible or not, Britain has already gone at least some of the way down the US road, and if it goes much further, many involved in the prison service fear the consequences could be devastating.

Quite apart from humanitarian concerns, officials warn that the most fertile ground for prison riots is not a repressed environment, but one in which reform has raised expectations that are subsequently thwarted.

"The thought of trying to control a large prison population when there is very little that prisoners can gain for good behaviour fills us with complete horror," says David Roddan, general secretary of the Prison Governors Association. "As the proposals stand, particularly when you put

them in the context of planned staffing cuts of over 3,000, they are stupid and dangerous."

Nevertheless, today's reformers remain hopeful that, just as the failure of Victorian hard fare gave way to a more enlightened environment, improved penal regimes and rehabilitation will once again become a priority.

"Howard won't be home secretary for ever and we have witnessed swings in the penal pendulum before," says Nick Flynn, deputy director at the Prison Reform Trust.

The mission statement of the prison service, requires it "to look after [prisoners] with humanity and help them lead law-abiding and useful lives in custody and after release".

It is a goal derived from the best British humanitarian traditions. In the current UK political and fiscal climate it is one that is likely to prove increasingly difficult to meet.

PERSPECTIVES

Lunch with the FT/Lucy Kellaway

A hairdresser who lifts, thickens and shines

Sorry, we're full, said the woman at Le Caprice, when I phoned to book a table for lunch. That's a shame, I said, because I'm having lunch with Nicky Clarke. Hearing the name of the hairdresser famous for cutting the hair of royalty, supermodels, and every other woman you have ever heard of, and famous for charging £190 a go, she changed her tune. I'll see if I can fit you in.

So on the appointed day I arrived at London's most fashionable restaurant, and there was London's most fashionable hairdresser, his black garments toning with the black and white decor. He could have been mistaken for one of the black-clad waiters who are not for his hair. There was sleek, dark, nicely cut. His was a mane of red-blond, worn in a style that reminded me of the Bee Gees. But more of his hair later.

"Lucy!" he said shaking my hand warmly. Instantly we were old friends. He had already ordered a Margarita, which came in a dainty glass with a pretty salty rim, and I decided to join him. I told him about the magic effect his name had had when booking the table, and he seemed well pleased.

"It's one of the few advantages of doing what I do. There aren't many. I get taxi drivers shouting at me, you know - 'Nicky, give us a haircut' - it's a nightmare."

We started a careful, thorough contemplation of the menu. "I'd like the tuna, but I'm not allowed the spiced lentils it comes with." He explained he was on a diet - the name of it sounded vaguely French - which forbids such things as carrots or potatoes and lentils.

"I was getting a bit soft around the middle, and I needed to lose a stone."

"Ridiculous!" I said. "You're not fat."

He undid the gold buttons on his jacket. Underneath he was wearing a black, skin-tight silky top tucked into black trousers. He took a tiny pinch of flesh above the black belt. "I've still got a bit further to

go," he said.

He told me about how he goes to the gym, and dreams of developing a figure like Arnold Schwarzenegger. I said I would find it intimidating if my hairdresser had so much muscle.

"Maybe you're right." He laughed and tossed his hair, sweeping it back with his hand, knocking over his almost empty drink as he did so. "Does that mean I can have another?" he asked.

With his second Margarita came our starters, mine a lovely concoction of tomatoes, pastry and basil, his a mountain of ham and cheese that did not look in accordance with any diet.

Rather than a Schwarzenegger lookalike, I said that what I wanted from a hairdresser was someone who would not only

Apparently, even on their off days, both he and Picasso are still pretty good

cut my hair well but who would also be entertaining to talk to.

"Don't say that!" It seemed I had made a faux pas. Apparently, hairdressers in his league most definitely do not talk while they work. "Sometimes I don't say a word."

This was a disappointment, because I had planned to find out what he and the Duchess of York talked about as he cut her hair. I later discovered that he could not have told me anyway: he had been made to sign the Official Secrets Act.

"Going into Buckingham Palace for the first time was amazing. Especially for me, being brought up in the Old Kent Road. I don't care what the media say about the Duchess of York. She is actually really charming."

Does Fergie owe him money, as the tabloids have claimed? "Not of course not."

He also loved going to Downing Street to do Margaret Thatcher's hair. I was sur-

prised at the admission: if I were a hairdresser I would have kept quiet about having had anything to do with her. He quickly explained that he only did her hair once - a nine-minute session before she had her picture taken for Vogue magazine.

"I know this will sound unpolitically correct but I love her, and I loved her policies. It was such a mistake what they did."

I asked if he was star struck, expecting a standard denial. "I am, definitely, but I hope I am too cool to show it. But I did nearly blow it the other day, when I cut David Bowie's hair, and I showed that I knew a bit too much of his back catalogue."

So what was Bowie like? "Charming, absolutely charming." (I was getting the idea that this was a description to fit all his clients.)

Does it feel the same if you are cutting the hair of someone famous? "No, it's different when someone's job depends on what you do to their hair."

As we started to eat our main courses - swordfish and roast peppers for me and lamb and forbidden potatoes for him - he told me in detail what a Nicky Clarke hair-do consists of. First there is a long discussion. Then he sketches from three angles. Then more discussion, refining the sketches. Then he cuts.

Does he ever have an off day? "If you can do something really well, then you do it on auto pilot. I mean, it's like Picasso. Not that I'm really comparing myself to Picasso..."

He then went on and did just that. Apparently, even on their off days, both he and the great artist are still pretty good.

For such a service there is a great demand. He explained with pride the complex rationing system he uses to make sure valuable appointments are distributed fairly. At 8.30 every Monday morning the phone lines open to take bookings for the week beginning 13 weeks hence. Ten minutes later four telephonists have booked him solid.

I remarked that this is the sort of scarcity value normally associated with utility privatisation issues. He looked puzzled and said that it is his wife who handles the business side.



Nicky Clarke: "People would probably pay £400, but I couldn't do it. It's too much for a haircut."

really good about herself. "You can pay a lot of money for an Armani suit, or you can get one at C&A." He touched my suit doubtfully. "Are you interested in fashion?" he asked.

I found this a little hurtful: my suit was new, it was one of the most expensive things I had ever bought, and everyone in the office said I looked really smart.

"But let's not get too serious," he said cheerfully, possibly mistaking my downcast

look. "It is not brain surgery, we are talking about. We are not talking about the Bosnian war. It is hairdressing."

I shifted the discussion to his appearance. Why is it, I asked, that hairdressers' own hair is often so, um, unstructured? "Maybe it's because they are mostly men and don't want a blow-dried bouffant." But surely he blow dries his, I said. No, he said, he didn't.

But why is it puffed up nicely above his head, whereas most people's hair lies down on

their scalp? "After I come out of the gym, I put loads of product on it."

I asked if I, too, could be helped by "product", and if so, which one I should buy. He glanced at my hair, and said without hesitation: "Lift, Thicken and Shine."

If I came with him back to his salon (where his 3.30pm was waiting) he'd give me some. I paid the bill (£93 with tip, which at half the price of the hairdo was a bargain) and we walked over to his salon in

a corner of Berkeley Square. He instructed the sleek girl behind the desk to give me a bottle of his own brand, Hair-motherapy, and then escorted me out on to the pavement.

"I must give you a 30 second lesson on how to use it." Touching his own hair, he tweaked, pulled, and said something about blow drying it away from the roots.

Once in the taxi I took the little silver bottle out of my bag and looked at it. "For badly damaged hair," it said.

The sole survivor

Michael Shaw Bond visits Buddhist monasteries in India and Tibet

It came as a vast disappointment to set eyes for the first time on Tabo monastery, in northern India's Spiti valley. From a distance, one of the Buddhist world's most important homes of historic art looks less like a monastery and more like a drab collection of mud-brick bungalows, indistinguishable from the village that has sprung up around it.

But once inside, my disenchantment faded rapidly. The monks were in prayer and it was dark, except for a clutch of candle-flames flickering in the middle of the darkness as if suspended there.

There were sounds of chanting, an incessant drum-beat and the occasional crash of cymbals. The only movements were the flickering of the candles and the blur of the drummer's arm falling through the shadows. In the dim light I could make out the ancient, faded murals depicting scenes from the life of the Buddha which have given Tabo its reputation as a Buddhist jewel.

They are also very, very old. This month, the monastery celebrates its 1,000th anniversary. It is hosting a two-week Buddhist festival which will be attended by thousands of believers from India, Tibet and all over Asia, including the Dalai Lama, the exiled Tibetan leader. Many are also expected from the west. The monks have been preparing for months for this occasion, and there was a mass of construction work at the time of my visit.

The presence of the Dalai Lama at this festival is significant, for Tabo is more Tibetan than Indian. The Spiti valley is as isolated and as high as Tibet; it is cold, the air thin.

The religious writings on the monastery walls are in Tibetan; everywhere there are paintings of the great Potala Palace in Lhasa and past Dalai Lamas, images of Maitreya and Tara and other Tibetan deities. Even Sonam Wangdu, the head monk, is a Tibetan, and was formerly at Ganden monastery outside Lhasa. He escaped to India at the same time as the Dalai Lama, settling in Spiti in the mid-1970s.

There is, though, a crucial difference. Tabo is an active monastery with a full complement of monks who recite scriptures and carry out unbroken the same religious duties as their predecessors 1,000



The Spiti valley in India: Buddhism is under threat in Tibet. Michael Shaw Bond

years ago. No monastery in Tibet has the luxury of such religious freedom. Indeed there are few senior monks still working in Tibet, most having been killed, imprisoned or forced into exile by the Chinese since the invasion in 1950. Those remaining are severely restricted in their practice of Buddhism.

You do not - in theory - have to travel far from Spiti to compare the fortunes of its monks with their counterparts in Tibet itself. Tabo is just a few kilometres from the Tibetan border, and less than 100 from the old Buddhist kingdom of Guge and the monastic towns of Tholing and Tsaparang in western Tibet.

In reality it is virtually impossible to reach Tholing directly from Tabo - the Himalayas and the Chinese border guards see to that. Instead you must cross into Tibet from Nepal or mainland China and travel for weeks on dirt tracks across the high deserts of the Tibetan plateau.

The Guge kingdom, with Tholing as its religious centre, is one of the most inaccessible places on Earth, hidden in the labyrinthine canyons of the Sutlej river. In the 9th century it was the last refuge in Tibet for Buddhism, which had been introduced from India 300 years earlier but was at that time heavily persecuted by followers of Bon, the older, established Tibetan religion.

Later, the rulers of Guge encouraged the re-introduction of Buddhism to the rest of Tibet, the so-called "Second Diffusion". Tholing and its founder were at the heart of that renaissance.

Rinchen Zangpo, a Buddhist translator and one of the most

revered teachers of his time, founded more than 100 monasteries in the borderlands of western Tibet and northern India, employing Kashmiri artists to decorate them. The paintings at Tholing are similar to those at Tabo: bold and fantastically detailed, dignified in their faded elegance. But because of the Chinese occupation of Tibet those at Tholing are in a terrible state.

I was shown around Tholing monastery by one of the few monks still allowed to live there (in pre-Chinese days there were several hundred). He regretted that because all the senior monks had been killed by the Chinese soldiers or had fled to Ladakh or elsewhere in India there was no one at Tholing who could divulge the meaning and history of its religious drawings.

This is the great threat to Tibetan Buddhism the country over - that its great scholars should die before passing on their knowledge to the next generation. It is also why the study and worship going on at Tabo and other Tibetan Buddhist monasteries in Spiti and Ladakh is so important. These places are the last remaining links in the unbroken chain of teaching which goes back to Rinchen Zangpo's era and beyond.

My monk guide took me into one of Tholing's main chapels, irreverently used as a wood store by the Chinese soldiers in the 1960s and yet to be cleared. It is a wreck. Nine out of the 10 Buddha statues which surrounded the large central image have been removed and the murals are streaked with lines of moisture from the leak-

ing roof. Still standing are several heavy wooden columns, an indication of the former wealth of the Guge kingdom: the nearest trees were in India and had to be carried across the Himalayas.

One wall painting in particular stands out in this chapel: it is vast, consisting of a series of scenes from a sky burial which depicts the devouring of human limbs by hungry vultures. But it has been vandalised, and every vulture in it decapitated, the heads gouged out of the plaster by a chisel.

A neighbouring chapel is entirely without a roof. The wooden door at the front was padlocked and my monk said he did not have the key and was not allowed to become a "dispute with Beijing". He did not elaborate.

But I was left intensely curious and after the monk had gone I climbed over the wall of the locked chapel to investigate. I landed on the other side and stared ahead, aghast.

For on the wall immediately beyond the door was the outline of a large Buddha image. The image itself had been removed and the wall around it was peppered with holes from the bullets of machine-guns. There were no bullet-holes within the outline of the image itself, which had clearly been used for target practice by the soldiers who had sacked the place. Elsewhere in the chapel not a single statue remained and the floors were covered in rubble.

I discovered in one corner a pile of religious scripts, many of them black with burning, all of them with signed edges but some with written prayers intact and still visible. These had survived in the open for nearly 30 years, preserved by the cold and the dry air, as enduring as the religion to which they were accessories.

Of all the damage in that chapel it was the bullet holes which seemed the most repulsive, the most intrusive and profane. I knew that the same guns had also brought down a number of Tholing's human occupants. In a remote place like Guge the evidence of such events is easily hidden.

The unviolated surroundings of Tabo monastery are a world away, if just 100 miles across the mountains. One is an active religious community, the other an abandoned museum-piece.



QUEEN'S CUP POLO FINAL

with the Financial Times
Sunday 23rd June 1996

The FT invites its readers to enjoy a day's polo, on Sunday 23rd June at the Guards Polo Club, Smith's Lawn, Windsor Great Park.

Traditionally held in the presence of Her Majesty Queen Elizabeth II, this prestigious tournament has established itself as a highlight on the international polo calendar and is being sponsored for the sixteenth consecutive year by Alfred Dunhill. It is the culmination of a thrilling three week long league competition, in which world-wide teams compete for a chance to win the coveted Alfred Dunhill Queen's Cup, the highest possible accolade in international high goal handicapped polo.

The Financial Times has arranged Grandstand tickets at the exclusive price of £12.50 each (with a maximum of 4 per application), and this year we are able to offer one free car park pass per pair of tickets.

Tickets for this exciting event are limited, so if you don't want to miss the thrills of a summer day's polo at Smith's Lawn, please complete the coupon opposite and return it immediately to:

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1100	GATES OPEN
1500	ALFRED DUNHILL QUEEN'S CUP
1630-1645	PRESENTATION TO PRIZEWINNERS
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1730	GUESTS DEPART

Tickets are subject to availability and no refunds can be given. Offer closes on Friday 13th June 1996. Addresses supplied by readers in response to this invitation will be retained by the Financial Times, which is registered under the Data Protection Act 1984.

Please send me . . . tickets at £12.50 each.
I enclose a cheque made payable to Guards Polo Club for a total of £

Please charge my ACCESS ☐ AMEX ☐ VISA ☐
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HOW TO SPEND IT

Growing sources of garden delights

Lucia van der Post finds barbecues from Burma and pots from Mexico

Most of us know that run-of-the-mill gardening equipment – the plainest of benches, the gaudiest of umbrellas, the simplest of terracotta pots – is usually most easily found at the keenest prices, at super-markets, out-of-town sheds and garden centres. However, there comes a time when something a little more special is on the agenda, when something a little more out of the way, more inventive, more decorative – even, dare I say it, more tasteful – is what you are after. Then the only answer is to track down some of the small and special shops that cater for the off-beat garden.

As gardening has become increasingly important to householders – even for those presiding over the smallest of outdoor patches – smaller, boutique-like shops have grown to cater for their needs.

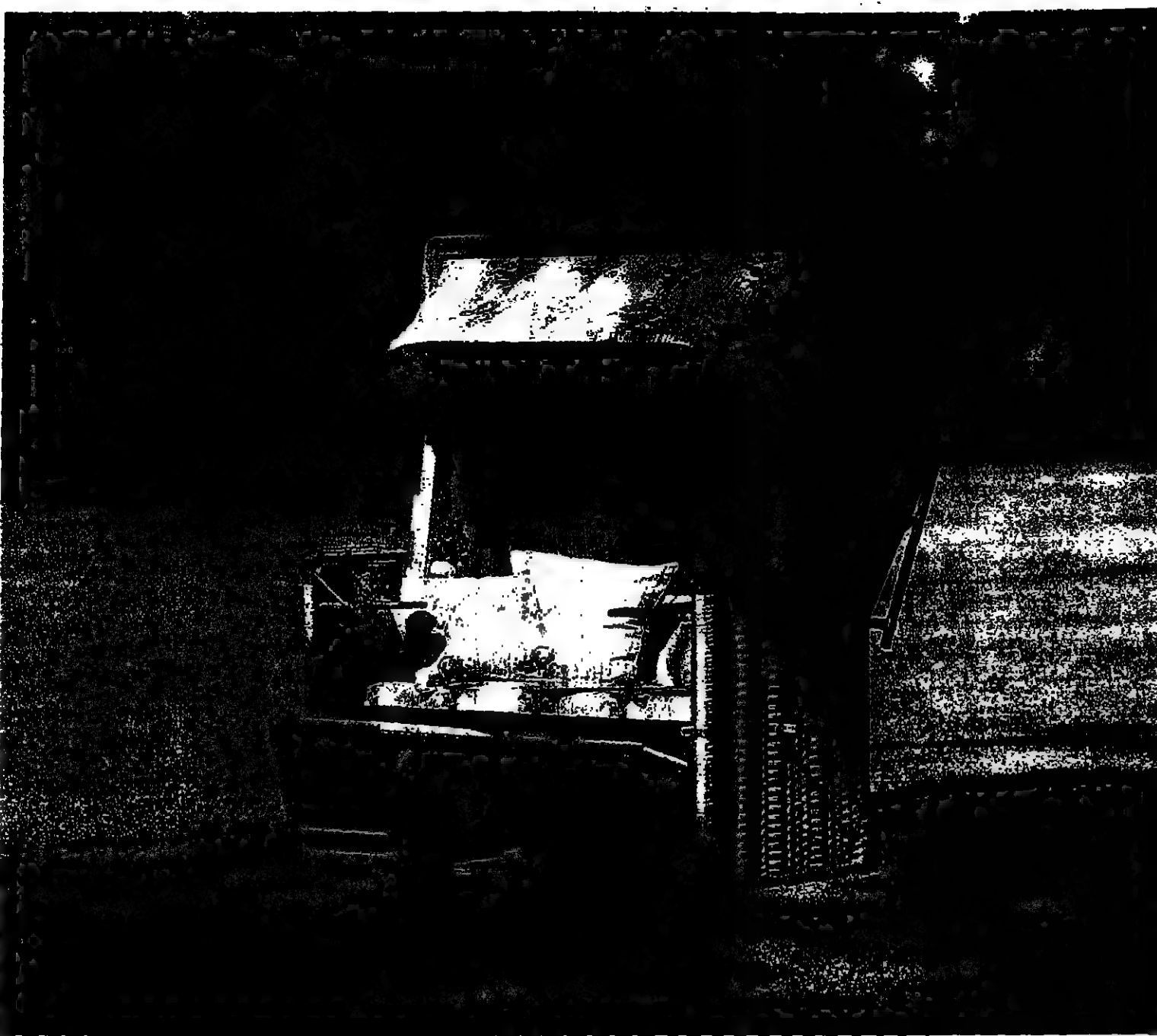
In London, we are not short of choices. Places such as Clifton Nurseries (3a Clifton Villas, Little Venice); The Chelsea

Gardener (125 Sydney Street, London SW3); Patio (155 Battersea Park Road, London SW8); Avant Garden, 77 Ledbury Road, London W11; and Marston & Langinger (192 Ebury Street, London SW1) all offer interesting and unusual bits and pieces for the garden or conservatory.

Good sources out of town are on the increase. There are some specialist purveyors of garden antiques and statuary – notably Walcot Reclamation in Bath and Whichford Pottery in Warwickshire, which is a wonderful place to visit for pottery of all sorts – but, inevitably, it is London that continues to be spoilt for choice.

Hardly a week goes by without some enterprising new retailer discovering fresh and wondrous products.

This week, we have unearthed barbecues from Burma, picnic sets from France, traditional "beach shelters" from the wind-blown northern coast of Germany and hand-painted terracotta pots from Mexico. Here are just a few of the discoveries.



Apenn is a small, charming shop just off London's Portobello Road. A speciality, other than its charm, is hard to pin down as the merchandise seems to consist of a varied collection of throws, memory boards, hold-alls and assorted cotton-covered items.

However, for those looking for something a little different in garden furniture, its owner, Binah Bellhouse, has tracked down the source of the traditional "beach shelters" used along the north German coast. The shelters are perfect for a cold, windy British garden or conservatory. Hand-made in a variety of finishes – from reed and willow to a white PVC weave – they can be upholstered in any fabric the customers choose. The inner cushions can be removed and the seats all come with weatherproofed zipped covers, which means they can be left out all year round if no storage is available.

The garden seat operates rather like a box of tricks with all sorts of options and optional extras available. The back of the seat can be fixed at varying angles – either upright or at some stage between that and horizontal so that users can lie flat and sleep or sunbathe.

There are two footrests in the base which can be pulled out to aid a little idle lounging; there are two shelves for holding drinks and a sunshade can top the whole apparatus. Prices start at £2,000, plus the cost of 7 metres of fabric. Orders take four weeks. An example can be seen at the Apenn shop at 196 Kensington Park Road, London W11 2ES. Tel: 0171-732 2457.

Simpler, less expensive but perennially useful and particularly perfect for picnics is the campaign chair. Used by Indian Army officers during their travels, this collapsible chair is available with bonded and waterproofed fabric from the Apenn collection in three different colourways (red, blue and green). The wooden frame comes apart easily and the chair can be rolled up in its pouch and carried by a shoulder strap: £225 each (slightly less for a set of four) from Apenn.

Lucia van der Post



If you are looking for a standard teak bench or a jolly plastic umbrella, you can go to your nearest department store, shed or garden centre. If you want something a little recherché, something with wit or charm, Judy Green's new shop, Garden Store, in London's

Hampstead, is a marvellous source of the off-beat. Aimed at those who want to make small gardens, patios, window-sills and yards more welcoming, it is filled with tempting ideas. There are terracotta pots, hand-painted by any one of a group of three or four different British

artists, as well as hammocks and hampers, trugs and outdoor candles.

Those who love the solid materials and honest workmanship of antique gardening tools will find a good selection – from hand-trowels at about £5 a pair, secateurs and spades, to

a range of garden furniture. Sketched here are just some of the things Judy Green has tracked down for her shop. □ French aluminium and raffia tea picnic set – £7.95 for the cups, £16.95 for the kettle and £15.95 for the tray. □ The galvanised iron watering can is a copy of a

Victorian travelling watering can (the spout fits into the can and the lid comes off), £43.50. □ A traditional Burmese barbecue, made from tough rose clay from the Irrawaddy river to a design used for hundreds of years, heats rapidly to a high even temperature and can be used

for roasting (by putting the lid on) or open grilling. With the lid on, you can stir-fry, simmer, braise or boil on the lid itself while inside a roast gently cooks: £38.50 for the small size. □ A garden hamper put together by Judy Green would make a splendid present for a

gardener. The French Provencal basket with cream calico edging and handle is £18; the hand-made terracotta pots are from £6.50 each, the small pot of ivy is £1.50, the teak plant tag, £2.95 for four, the green garden twine on a wooden holder is £9.95 and greetings cards are £1.25.

□ Terracotta outdoor candle on an iron spike, £26. □ Mexican fleur de lys wall glazed terracotta pot on a metal hook, £24.95. □ Garden Store is at 11 Flask Walk, Hampstead, London NW3 1EJ Tel: 0171-435 3332.

Drawings: Margaret Keeley



Natural and elegant

It is extraordinary to think that Crucial Trading is 10 years old. When it first started I remember greeting its arrival with rapturous joy, largely on account of the price and the extremely unpretentious nature of the product. Yet I opined that while it was perfect for country rooms and hallways, it was not for "elegant salons".

Today, all that has changed. Sisal, jute, coir and seagrass are to be found in the grandest of salons. Open almost any interior decorating magazine and, from stately manors to urban drawing-rooms, natural flooring is to be seen.

Prices remain good, the selection has widened, loose rugs, bound in tuning or contrasting colours are available, there are narrow runners for

stairs and today, to celebrate the 10th anniversary, anybody who goes to one of Crucial Trading's shops can buy anything from the range at half price. You cannot, unfortunately, do it by phone – you have to put in an appearance and pay for it today so anybody contemplating buying it in the near future should get their tape measures out and hurry along.

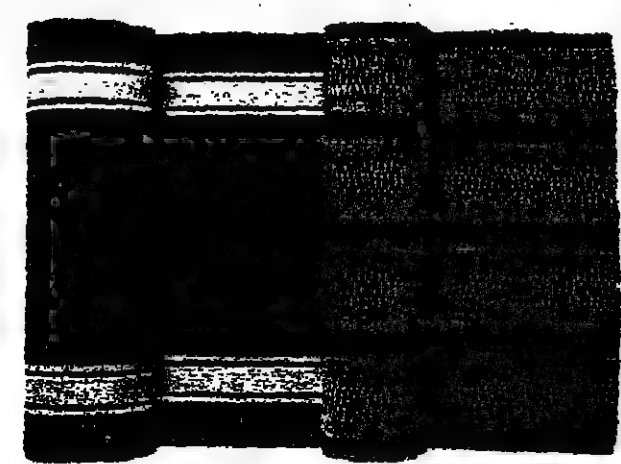
Harry Gold, for instance, a honey-gold, roughly woven sisal and my particular favourite, will be on sale at half price and the seagrass, normally £10.40 a square metre, will cost £5.20.

The shops are at Pukka Palace, 174 Tower Bridge Road, London SE1 (0171-234 0000); 79 Westbourne Park Road, London W2 (0171-221 8000); 4 St

Barnabas Street, Pimlico Green, London SW1 (0171-730 0075) and the factory shop at The Market Hall, Craven Arms, Shropshire SY7 9NY (01588-673866).

Besides Crucial Trading there are now many other companies offering flooring in a similar mood and spirit. Roger Oates has for some time specialised in making woven woolen runners which have something of the simplicity that Shaker style demands. Tough, hard-wearing and beautiful in their own quiet rustic way, they come in many different colour combinations.

Most have strong borders, reminiscent of the runners in so many Scandinavian interiors. New to his collection are his antiqued cotton runners – in soft colours, striped or plain



The unpretentious way to cover a floor

with striped borders, they all age beautifully and range in price from £44 for 70cm by 150cm to £84.50 for runners measuring 70cm by 350cm. Roger Oates' range sells from his headquarters at The Long Barn, Eastnor, Leicestershire, Her-

fordshire HR8 1EL (01531-632718) or by mail order – there is a beautifully illustrated full colour brochure available from the same address.

Lucia van der Post

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FASHION

Demure dignity of the well turned out

Jane Mulvagh is spellbound by the dress sense of two women from opposite ends of the social spectrum

I recently met two very different women, from opposite ends of the social spectrum, who reminded me that care over one's appearance is not only civilising but also magnificent. It can give pleasure to a neighbour and need not imply ostentation, vanity or an expectation of something in return - be it sexual attention or deference. It can, quite simply, raise people's spirits and make them smile.

The first woman was an octogenarian art collector whom I met at a Sotheby's lunch; the other was an impoverished young black woman whom I met at a church service.

These women shared the same demure dignity; both were clothed

and groomed with exacting care and without vulgarity, neither were sandwich boards for a fashionable label, just gentle reminders of the human spirit undiminished by adversity.

The old lady retained a girlish charm and femininity in spite of her years. She wore a ballerina-length, full, black linen skirt, a delicately pleated white lawn blouse and simple black pumps. Her snow-white hair was coiled into a chignon at the nape of her

neck and her frail, unpainted features sheltered under a broad-brimmed straw hat, trimmed with a black grosgrain ribbon. Two pearl studs were all the jewellery she wore.

Sitting alongside some fiercely cosmopolitan younger women dressed up in designer-brights, with all the aggression of fashion Fauvists, she, by contrast, conjured up the simple delicacy of a Chardin portrait. I was spellbound. After lunch, I went to sit beside

her and could not resist complimenting her on how she looked. Imagine my surprise when she told me that she was blind.

Explaining why she took such care in her dress, she remembered what pleasure being "well turned out" gave others, as well as herself, and the disability that struck 10 years ago had not blunted her largesse for pleasing others. Though slightly more effort went into her toilette these days, she still managed to dress herself by

feeling her clothes in her wardrobe.

However, when it came to shoes, she had to solicit the good eye of her gardener to confirm that she was wearing a matching pair.

Amid the smart hats in the Kensington church, the black woman had her own form of festive hat. It was an extravagance not of money but of time and care. For crowning her modest brown Macintosh and cheap, worn shoes was a coiffure

that must have taken many hours to construct.

Hundreds of tiny plaits, as fine as ink spaghetti, were coiled into kink curls over her skull. The heart of each coil was decorated with a tiny golden bead and the edges of her hairline were wound into a scalloped border.

You could see members of the congregation smiling as they caught sight of her decorative masterpiece which was worn without attention-seeking affectation.

Neither woman's decoration invited envy, criticism or social division: the old lady was not festooned in rich jewellery or class-ridden shibboleths; the young woman was unburdened by any hint of a political slogan. Both simply gave pleasure because their presentation was careful, attractive and demonstrated self-respect and a delicacy of mind.

Decoration, freed from group conformity, commerce or status, is not frivolous, vain or socially divisive.

It is much-needed evidence of the human spirit untrod. Dress has an awesome power. It is a delicate tool that, if used with understanding, can give pleasure, and can build bridges and even heal.



The dress holds the key to style success this summer

With such a vast variety on offer, there is really no such thing as an easy choice during this Year of the Dress, writes Karen Wheeler

The dress has been designated as this summer's key wardrobe item and the issue is not whether to wear one but what style to buy. Given the enormous variety on offer, this is not easy.

Following the success of last year's shift, designers are offering everything from short-waisted and tunic dresses to swingy A-lines and full-skirted 1950s styles. Add to this a mind-blowing selection of fabrics - from silk dupion to industrial nylon; prints that range from traditional splashy florals to startling 1970s wallpaper designs; and a palette encompassing acid orange and lime to sugary pink and lilac, and the choice is far from straightforward.

It is almost easier to say what is not fashionable - and pretty much the only thing that fails to qualify is the long, floral print tea dress that was such a hit in previous summers. Instead, most current styles hover on the knee or above and the look is short and

snappy rather than long and ethereal. Despite such fashion dictates, the dress is a highly personal item and a much more difficult purchase than an office suit or a raincoat. While you can hide behind the tailored lines of a jacket or disguise a multitude of sins under a raincoat, the summer dress is not so forgiving and most of us have fixed ideas on the subject. Those with slender arms, elegant necks or well-toned backs will welcome cutaway necklines, halter necks or sleeveless dresses. For most people, such styles are a stumbling block. The sleeveless shift is merciless in revealing flaws and is deeply unkind to pale skin or less than perfectly honed upper arms.

Yet there are solutions. Salvation comes in the form of the cropped boxy jacket which many designers have provided as an optional extra to the dress. "A lot of women feel uncomfortable about baring their upper arms and recent weather hasn't helped," says

Emma Newell, Harrods dress buyer. "Yet we have been selling sleeveless and short sleeve dresses really well, because we've also stocked short boxy or bolero jackets to match."

Yves Saint Laurent's square neck dress and cropped jacket in an ottoman fabric has sold particularly well at Harrods, where the dress and jacket has been identified as a winning combination (although in classic navy, red or gold and rich cream rather than dayglow colours). "Most of us are used to wearing a skirt and a jacket to work," says Newell. "A dress and a jacket seems newer."

It is a strategy that has been widely adopted elsewhere - Karen Millen offers minimalist cropped jackets which look very modern over her back-baring halter neck dresses and fondant coloured shifts with cutaway necklines. Nicole Farhi's checked sun dress also comes with a cropped single-breasted jacket. By offering the option of a jacket, designers have made the sun dress more versatile - allowing you to

dress it up or down. For those who consider a jacket too formal and for dresses which do not work well with a jacket, the solution is a cardigan in a matching colour - very chic fastened with one button over the shoulders.

So what are the key styles to note? The neat, slender shift

dress is still popular but styles have become more sophisticated. The latest models have a subtly flared A-line silhouette and added extras such as drop pockets or a silver buckled belt. They also look better with sleeves, evoking images of Courrèges' 1960s' silhouette. On the high street, Wallis's lin-

en/viscose mix shift dress in

mauve or apple green (£48.99) features a modern hipster, silver buckle belt.

According to Liz Tilberis, editor of American style-bible Harper's Bazaar, nobody cuts a shift dress quite like Catherine Walker - which probably explains why Walker's Sydney Street salon is buzzing at this time of year. Her dresses are not cheap but there are many women who feel that £90 plus is a fair price to pay for a silk dress which fits like a glove and feels like a dream and which will take them seamlessly from summer wedding to school open day.

The season's most hyped dress is the button-through shift dress. In unexpected fabrics such as silk dupion, these can look very pretty - for example, Whistles silk shantung shift dress (£95) in colours ranging from olive to lilac - but need to be chosen carefully. Safari styles - originally made famous by Yves Saint Laurent - are a better option. Current hot designer Patrick

Cox has picked up on the theme with a cotton button-through version with tab pockets while Saint Laurent's own current reworking of the theme comes in cotton gabardine at £475.

After fixing on a shape and style, the biggest decision is whether to opt for print or plain colour. In print, bold, splashy florals look best. Wallpaper and 1970s soft furnishing prints might be quite the thing on the catwalk but all but the most expensive designer versions look dreadful in real life. These may look terrific for now but they will date faster than you can say "Prada". Fabrics this season range from crisp, cotton piques to futuristic synthetics. Fabrics with surface interest - satins, brocades or shimmery effects - and stretch properties are very popular, particularly in icy pastel colours.

The Philosophy range by Alberta Ferretti has summer dresses in delicious colours and fabrics including a lilac silk organza shift with appli-

qué flowers (£419) and a silver of lemon silk organza with a square neck and buttons down the back (£18 from Selfridges).

MaxMara has some of the best floral prints in a variety of styles. Favourites are a splashy yellow sunflower print on a cotton dress flatteringly cut to flare out from under the bust (£95) by Weekend by MaxMara; a belted pink Gardenia floral print dress with short sleeves (£139) and a black sleeveless shift featuring splashy pink cabbage roses (£135).

Despite the dismal weather, Episodic's poppy print, 1950s-style sun dress has almost sold out. Also worth considering are Penn Wright and Manson's floral print A-line dresses or brightly coloured linen polo dresses which have little hanger appeal but look good with flat thong sandals or beach shoes and are perfect for holidays. Finally, Joseph's robust metallic nylon shift dress in blue (£185) might sound unappealing but looks beautifully and uncompromisingly modern.

Illustrations: Kim Dabziel

PROPERTY

Sporting life is still a luxury

Gerald Cadogan looks at the prices for grouse moors and deer forest

June is a wise time to buy a grouse moor or deer forest. By August 12, when grouse shooting starts, or late September and early October when the stags are at their best, it is too late.

Sporting estates are luxuries and usually a drain on their owners' purses, whether they are old Scottish lairds or businessmen travelling north to bag a trophy. A large estate in the Highlands, or on the west coast, can cost as much as £100,000 a year to run unless the owner lets some of the shooting, says William Jackson, of agents Knight Frank in Edinburgh. The annual bill for a keeper and stalker (and a ghillie, if there is fishing) will hardly be less than £20,000 apiece.

Most owners, says Jackson, are happy to take the first days of the grouse and stalking seasons for themselves, which should make a glorious late summer of sport. Then they could shoot for pheasant, while letting out the latter days on the grouse moors.

Few grouse shoots are for sale which makes it a difficult market to judge. Prices usually combine a value for the land and buildings with a multiplier of the long-term average of grouse or stag shot. This long view smooths out disastrous years such as 1993 when some estates did not entertain grouse shoots at all. That year, it was important to conserve stocks after bad weather had stopped birds hatching.

Keepers will know later this month if 1996 is likely to be a good year. Estates often wait for these first counts before confirming the let shooting and may leave September days open until it is clear how

the game is progressing. It is essential, says Jackson, that an estate is not overshot to derive income.

Moor management also means controlling foxes and other predators that take young birds. Sections of heather have to be burnt, year by year, to encourage fresh growth. Grouse hatch in the heather - and it is their food.

Sheep are the other big threat. Once they start nibbling the heather, it dies and the moor turns to grassland which offers no protection or food for grouse. Overgrazing is often the explanation for moors "in need of improvement". The first task is to move the sheep.

In Scotland the multiplier for capitalising driven grouse is likely to be more than £2,000 a brace, Jackson estimates. For stags it is £10,000 to £12,000 per stag, down from a few years ago. But, as the last three winters have been good for stags and Scotland has plenty of deer that need culling, the fall has little effect on an estate's capital value, with more animals to balance the lower value per animal.

In northern England grouse values are higher at around £2,500 a brace, says George Winn-Darley, of Lowther Scott-Harden. If only the sporting rights are for sale, when there is no grazing value for the land, they will be "a bit less". Yet the long habit of valuing sporting estates on a head count of deer may be ending. Scotland has 24 times as many deer as the land can stand. Anthony Hart, of agents Bidwells, prescribes a change of attitude. Private owners must either do something about deer or they will find that Scottish Natural Heritage - or parliament - will force them to.

In future, he suggests, capital value will depend on the self-



A large estate in the Scottish Highlands, or on the west coast, can cost as much as £100,000 a year to run

sustainability of estates. Already, continental buyers are less interested in historical sporting records and more interested in asking: "What can the estate sustain in the future?"

Bidwells has just recruited Philip Ratcliffe, who headed the Forestry Commission's environment branch, to advise private owners on ecology.

The 18,800-acre Dalnacardoch estate, near Dalwhinnie in Perthshire, once part of the Atholl estate, scores highly on environmental

grounds. A beautiful tract of the Grampian Mountains, it sits above the A9 on the watershed between the Tay and the Spey river systems. The heather thrives as it is too high for bracken to choke it and the estate does not graze sheep.

But there are foxes. When I visited, the keeper was out on the hills shooting them. Dalnacardoch still brings shot stags off the mountains by pony and the place is a deer stalker's paradise. Last year it produced 160 stags (and 57 hinds all shot by the keepers).

It is also good for grouse, with 465.5 brace last year and a five-year average of 534 brace. Recent letting rates have been £260 a stag and £45 to £50 a brace for walked-up grouse (rough shooting) for a specified 30 or 40 brace. For driven grouse the going rate is £85 to £90.

The dilapidated old lodge near the A9 was built as a public inn on the orders of George III. It would make an excellent French-style restaurant with a view - which is how it began. Savills is seeking offers of more than £2.5m for the whole

estate. Land agent Jonathan Henson, of Savills' Perth office, looks after the place and hopes the new owner will keep him on.

In Argyll, on the warm west coast, two estates new on the market front on to sea lochs and offer mixed sport. Knockdown on Loch Striven (8,000 acres, Bidwells) seeks offers over £2m; also has holiday lets and good forestry including deciduous trees.

Rahoy on Loch Sunart (2,933 acres, Knight Frank, offers over £850,000) has sea fishing, some

grouse and about 12 stags and 15 hinds a year.

In England, grouse shooting over 2,964 acres at Wellhope, near Carratfield on the Northumberland/Cumbria border (Lowther Scott-Harden, offers over £400,000) has "potential for improvement" - too many sheep. There is also a 612-acre farm with a gross income of £11,500. Bidwells, Perth (01738-630666); Knight Frank, Edinburgh (0131-225 8171); Lowther Scott-Harden, Buxton (01661-543188); Savills, Edinburgh (0131-286 6961).

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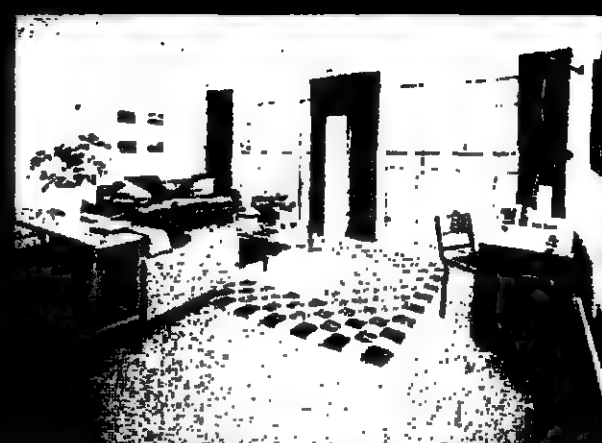
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Manor. Portman about 4 miles. A10 about 2 miles.
An early Georgian Grade II* listed village house with outstanding views to the sea and St Michael's Mount.
Hall, dining room, library, study, kitchen, 1st floor, 2nd floor, 3rd floor, 4th floor, 5th floor, 6th floor, 7th floor, 8th floor, 9th floor, 10th floor, 11th floor, 12th floor, 13th floor, 14th floor, 15th floor, 16th floor, 17th floor, 18th floor, 19th floor, 20th floor, 21st floor, 22nd floor, 23rd floor, 24th floor, 25th floor, 26th floor, 27th floor, 28th floor, 29th floor, 30th floor, 31st floor, 32nd floor, 33rd floor, 34th floor, 35th floor, 36th floor, 37th floor, 38th floor, 39th floor, 40th floor, 41st floor, 42nd floor, 43rd floor, 44th floor, 45th floor, 46th floor, 47th floor, 48th floor, 49th floor, 50th floor, 51st floor, 52nd floor, 53rd floor, 54th floor, 55th floor, 56th floor, 57th floor, 58th floor, 59th floor, 60th floor, 61st floor, 62nd floor, 63rd floor, 64th floor, 65th floor, 66th floor, 67th floor, 68th floor, 69th floor, 70th floor, 71st floor, 72nd floor, 73rd floor, 74th floor, 75th floor, 76th floor, 77th floor, 78th floor, 79th floor, 80th floor, 81st floor, 82nd floor, 83rd floor, 84th floor, 85th floor, 86th floor, 87th floor, 88th floor, 89th floor, 90th floor, 91st floor, 92nd floor, 93rd floor, 94th floor, 95th floor, 96th floor, 97th floor, 98th floor, 99th floor, 100th floor, 101st floor, 102nd floor, 103rd floor, 104th floor, 105th floor, 106th floor, 107th floor, 108th floor, 109th floor, 110th floor, 111th floor, 112th floor, 113th floor, 114th floor, 115th floor, 116th floor, 117th floor, 118th floor, 119th floor, 120th floor, 121st floor, 122nd floor, 123rd floor, 124th floor, 125th floor, 126th floor, 127th floor, 128th floor, 129th floor, 130th floor, 131st floor, 132nd floor, 133rd floor, 134th floor, 135th floor, 136th floor, 137th floor, 138th floor, 139th floor, 140th floor, 141st floor, 142nd floor, 143rd floor, 144th floor, 145th floor, 146th floor, 147th floor, 148th floor, 149th floor, 150th floor, 151st floor, 152nd floor, 153rd floor, 154th floor, 155th floor, 156th floor, 157th floor, 158th floor, 159th floor, 160th floor, 161st floor, 162nd floor, 163rd floor, 164th floor, 165th floor, 166th floor, 167th floor, 168th floor, 169th floor, 170th floor, 171st floor, 172nd floor, 173rd floor, 174th floor, 175th floor, 176th floor, 177th floor, 178th floor, 179th floor, 180th floor, 181st floor, 182nd floor, 183rd floor, 184th floor, 185th floor, 186th floor, 187th floor, 188th floor, 189th floor, 190th floor, 191st floor, 192nd floor, 193rd floor, 194th floor, 195th floor, 196th floor, 197th floor, 198th floor, 199th floor, 200th floor, 201st floor, 202nd floor, 203rd floor, 204th floor, 205th floor, 206th floor, 207th floor, 208th floor, 209th floor, 210th floor, 211th floor, 212th floor, 213th floor, 214th floor, 215th floor, 216th floor, 217th floor, 218th floor, 219th floor, 220th floor, 221st floor, 222nd floor, 223rd floor, 224th floor, 225th floor, 226th floor, 227th floor, 228th floor, 229th floor, 230th floor, 231st floor, 232nd floor, 233rd floor, 234th floor, 235th floor, 236th floor, 237th floor, 238th floor, 239th floor, 240th floor, 241st floor, 242nd floor, 243rd floor, 244th floor, 245th floor, 246th floor, 247th floor, 248th floor, 249th floor, 250th floor, 251st floor, 252nd floor, 253rd floor, 254th floor, 255th floor, 256th floor, 257th floor, 258th floor, 259th floor, 260th floor, 261st floor, 262nd floor, 263rd floor, 264th floor, 265th floor, 266th floor, 267th floor, 268th floor, 269th floor, 270th floor, 271st floor, 272nd floor, 273rd floor, 274th floor, 275th floor, 276th floor, 277th floor, 278th floor, 279th floor, 280th floor, 281st floor, 282nd floor, 283rd floor, 284th floor, 285th floor, 286th floor, 287th floor, 288th floor, 289th floor, 290th floor, 291st floor, 292nd floor, 293rd floor, 294th floor, 295th floor, 296th floor, 297th floor, 298th floor, 299th floor, 300th floor, 301st floor, 302nd floor, 303rd floor, 304th floor, 305th floor, 306th floor, 307th floor, 308th floor, 309th floor, 310th floor, 311th floor, 312th floor, 313th floor, 314th floor, 315th floor, 316th floor, 317th floor, 318th floor, 319th floor, 320th floor, 321st floor, 322nd floor, 323rd floor, 324th floor, 325th floor, 326th floor, 327th floor, 328th floor, 329th floor, 330th floor, 331st floor, 332nd floor, 333rd floor, 334th floor, 335th floor, 336th floor, 337th floor, 338th floor, 339th floor, 340th floor, 341st floor, 342nd floor, 343rd floor, 344th floor, 345th floor, 346th floor, 347th floor, 348th floor, 349th floor, 350th floor, 351st floor, 352nd floor, 353rd floor, 354th floor, 355th floor, 356th floor, 357th floor, 358th floor, 359th floor, 360th floor, 361st floor, 362nd floor, 363rd floor, 364th floor, 365th floor, 366th floor, 367th floor, 368th floor, 369th floor, 370th floor, 371st floor, 372nd floor, 373rd floor, 374th floor, 375th floor, 376th floor, 377th floor, 378th floor, 379th floor, 380th floor, 381st floor, 382nd floor, 383rd floor, 384th floor, 385th floor, 386th floor, 387th floor, 388th floor, 389th floor, 390th floor, 391st floor, 392nd floor, 393rd floor, 394th floor, 395th floor, 396th floor, 397th floor, 398th floor, 399th floor, 400th floor, 401st floor, 402nd floor, 403rd floor, 404th floor, 405th floor, 406th floor, 407th floor, 408th floor, 409th floor, 410th floor, 411th floor, 412th floor, 413th floor, 414th floor, 415th floor, 416th floor, 417th floor, 418th floor, 419th floor, 420th floor, 421st floor, 422nd floor, 423rd floor, 424th floor, 425th floor, 426th floor, 427th floor, 428th floor, 429th floor, 430th floor, 431st floor, 432nd floor, 433rd floor, 434th floor, 435th floor, 436th floor, 437th floor, 438th floor, 439th floor, 440th floor, 441st floor, 442nd floor, 443rd floor, 444th floor, 445th floor, 446th floor, 447th floor, 448th floor, 449th floor, 450th floor, 451st floor, 452nd floor, 453rd floor, 454th floor, 455th floor, 456th floor, 457th floor, 458th floor, 459th floor, 460th floor, 461st floor, 462nd floor, 463rd floor, 464th floor, 465th floor, 466th floor, 467th 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floor, 622nd floor, 623rd floor, 624th floor, 625th floor, 626th floor, 627th floor, 628th floor, 629th floor, 630th floor, 631st floor, 632nd floor, 633rd floor, 634th floor, 635th floor, 636th floor, 637th floor, 638th floor, 639th floor, 640th floor, 641st floor, 642nd floor, 643rd floor, 644th floor, 645th floor, 646th floor, 647th floor, 648th floor, 649th floor, 650th floor, 651st floor, 652nd floor, 653rd floor, 654th floor, 655th floor, 656th floor, 657th floor, 658th floor, 659th floor, 660th floor, 661st floor, 662nd floor, 663rd floor, 664th floor, 665th floor, 666th floor, 667th floor, 668th floor, 669th floor, 670th floor, 671st floor, 672nd floor, 673rd floor, 674th floor, 675th floor, 676th floor, 677th floor, 678th floor, 679th floor, 680th floor, 681st floor, 682nd floor, 683rd floor, 684th floor, 685th floor, 686th floor, 687th floor, 688th floor, 689th floor, 690th floor, 691st floor, 692nd floor, 693rd floor, 694th floor, 695th floor, 696th floor, 697th floor, 698th floor, 699th floor, 700th floor, 701st floor, 702nd floor, 703rd floor, 704th floor, 705th floor, 706th floor, 707th floor, 708th floor, 709th floor, 710th floor, 711th floor, 712th floor, 713th floor, 714th floor, 715th floor, 716th floor, 717th floor, 718th floor, 719th floor, 720th floor, 721st floor, 722nd floor, 723rd floor, 724th floor, 725th floor, 726th floor, 727th floor, 728th floor, 729th floor, 730th floor, 731st floor, 732nd floor, 733rd floor, 734th floor, 735th floor, 736th floor, 737th floor, 738th floor, 739th floor, 740th floor, 741st floor, 742nd floor, 743rd floor, 744th floor, 745th floor, 746th floor, 747th floor, 748th floor, 749th floor, 750th floor, 751st floor, 752nd floor, 753rd floor, 754th floor, 755th floor, 756th floor, 757th floor, 758th floor, 759th floor, 760th floor, 761st floor, 762nd floor, 763rd floor, 764th floor, 765th floor, 766th floor, 767th floor, 768th floor, 769th floor, 770th floor, 771st floor, 772nd floor, 773rd floor, 774th floor, 775th 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floor, 853rd floor, 854th floor, 855th floor, 856th floor, 857th floor, 858th floor, 859th floor, 860th floor, 861st floor, 862nd floor, 863rd floor, 864th floor, 865th floor, 866th floor, 867th floor, 868th floor, 869th floor, 870th floor, 871st floor, 872nd floor, 873rd floor, 874th floor, 875th floor, 876th floor, 877th floor, 878th floor, 879th floor, 880th floor, 881st floor, 882nd floor, 883rd floor, 884th floor, 885th floor, 886th floor, 887th floor, 888th floor, 889th floor, 890th floor, 891st floor, 892nd floor, 893rd floor, 894th floor, 895th floor, 896th floor, 897th floor, 898th floor, 899th floor, 900th floor, 901st floor, 902nd floor, 903rd floor, 904th floor, 905th floor, 906th floor, 907th floor, 908th floor, 909th floor, 910th floor, 911th floor, 912th floor, 913th floor, 914th floor, 915th floor, 916th floor, 917th floor, 918th floor, 919th floor, 920th floor, 921st floor, 922nd floor, 923rd floor, 924th floor, 925th floor, 926th floor, 927th floor, 928th floor, 929th floor, 930th floor, 931st floor, 932nd floor, 933rd floor, 934th floor, 935th floor, 936th floor, 937th floor, 938th floor, 939th floor, 940th floor, 941st floor, 942nd floor, 943rd floor, 944th floor, 945th floor, 946th floor, 947th floor, 948th floor, 949th floor, 950th floor, 951st floor, 952nd floor, 953rd floor, 954th floor, 955th floor, 956th floor, 957th floor, 958th floor, 959th floor, 960th floor, 961st floor, 962nd floor, 963rd floor, 964th floor, 965th floor, 966th floor, 967th floor, 968th floor, 969th floor, 970th floor, 971st floor, 972nd floor, 973rd floor, 974th floor, 975th floor, 976th floor, 977th floor, 978th floor, 979th floor, 980th floor, 981st floor, 982nd floor, 983rd floor, 984th floor, 985th floor, 986th floor, 987th floor, 988th floor, 989th floor, 990th floor, 991st floor, 992nd floor, 993rd floor, 994th floor, 995th floor, 996th floor, 997th floor, 998th floor, 999th floor, 1000th floor, 1001st floor, 1002nd floor, 1003rd floor, 1004th floor, 1005th floor, 1006th floor, 1007th floor, 1008th floor, 1009th floor, 1010th floor, 1011th floor, 1012th floor, 1013th floor, 1014th floor, 1015th floor, 1016th floor, 1017th floor, 1018th floor, 1019th floor, 1020th floor, 1021st floor, 1022nd floor, 1023rd floor, 1024th floor, 1025th floor, 1026th floor, 1027th floor, 1028th floor, 1029th floor, 1030th floor, 1031st floor, 1032nd floor, 1033rd floor, 1034th floor, 1035th floor, 1036th floor, 1037th floor, 1038th floor, 1039th floor, 1040th floor, 1041st floor, 1042nd floor, 1043rd floor, 1044th floor, 1045th floor, 1046th floor, 1047th floor, 1048th floor, 1049th floor, 1050th floor, 1051st floor, 1052nd floor, 1053rd floor, 1054th floor, 1055th floor, 1056th floor, 1057th floor, 1058th floor, 1059th floor, 1060th floor, 1061st floor, 1062nd floor, 1063rd floor, 1064th floor, 1065th floor, 1066th floor, 1067th floor, 1068th floor, 1069th floor, 1070th floor, 1071st floor, 1072nd floor, 1073rd floor, 1074th floor, 1075th floor, 1076th floor, 1077th 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TRAVEL

Stopping for a chat in an old Ethiopian city

Mention to any Harari the name of Richard Burton, the first British explorer to visit the old walled Muslim city of Harar in Ethiopia, and all you will get is a blank stare and a shrug of the shoulders.

But mention Arthur Rimbaud, the sensual, romantic French poet-turned-trader who came 25 years after Burton to spend the last decade of his life there, and people will smile and lead you to the house in which he was supposed to have lived.

Why? Perhaps Rimbaud had a character more amenable to Harar's own distinctly hedonistic tastes.

"My day is done; I am leaving Europe," wrote Rimbaud after his emotional rupture with that other sensitive romantic, Verlaine. "The sea air will burn my lungs; lost climates will tan my skin. I shall swim, trample the grass, hunt, above all smoke; I shall drink liquors as strong as boiling metal. I shall return with limbs of iron, bronzed skin, and fierce eyes; from my mask I shall be judged to be of a mighty race."

As a restorative programme it sounds a little wild. I have no idea if Rimbaud actually indulged in the extended binge he was looking forward to, or if it did him any good in the end - he returned to Europe in 1891 a sick man and died within weeks. But certainly if he intended to tie one on, Harar was the place. Most Hararis do it every day.

I spent my first morning in Harar sitting in the Wesen Seget, a bar by the old horse market in the middle of town. Full of idle café loungers, it is a converted warehouse where Rimbaud once kept the trade goods he exchanged for ivory and hides, civet musk, gum, and the celebrated highland coffee of Harar. But feeling neither poetic, nor love-crossed, nor in a grass-trampling mood, I was not inspired by the post-19 example; I was drinking nothing stronger than mineral water.

On the far side of the square, though, I could see a brisk



Harar market: there is a brisk trade in the city in a commodity that today competes with coffee as the front-runner of the local economy

trade going on in a commodity that today competes with coffee as the front-runner of the local economy. *Chat*, or *catha edulis*, to give it its scientific name, has been in use even longer than coffee on both sides of the Red Sea. In Yemen, in Saudi Arabia, in Djibouti, in Somalia, in Ethiopia - anywhere in the region where Muslim tradition forbids the use of spirits - *chat* is a popular example; I was drinking nothing stronger than mineral water.

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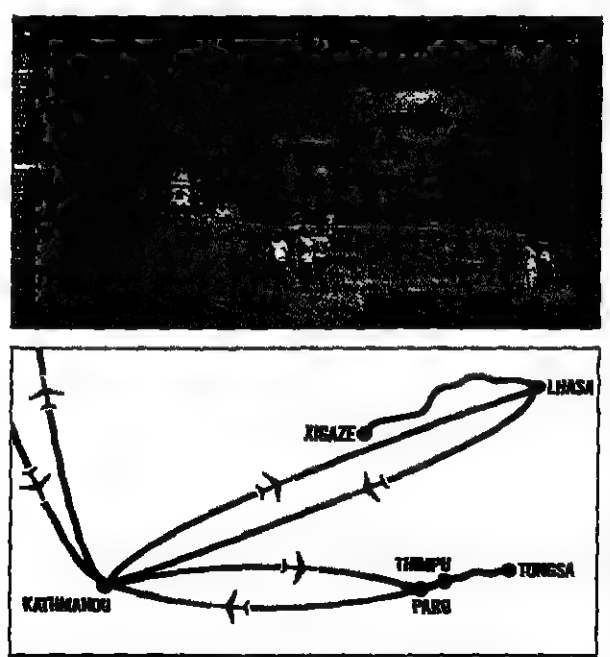
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A SPECIAL VISIT TO BHUTAN, TIBET AND KATHMANDU
23 March-13 April 1997 and 22 March-12 April 1998

This is a journey to the Himalayan Kingdoms of Bhutan and Nepal and onward to Tibet to learn more of the magnificent, yet scarcely understood sacred art of Tibet. Our visit will be all the more memorable due to our good fortune in obtaining permission to visit the Pado Festival in the truly Buddhist Kingdom of Bhutan. Here in the splendour of their ceremonies and traditional costumes we shall have a rare opportunity to see and begin to understand the meaning of Tibetan religion and art and gain further insight into their way of life.

THE ITINERARY

- DAY 1 London (Gatwick) - Kathmandu
- DAY 2 Kathmandu. Arrive mid-afternoon and stay 3 nights.
- DAY 3 Kathmandu. Visit the richly carved Pagoda Temples of Durbar Square, the museum with its superb 12th-14th century Nepalese bronzes and the Monastery of the Living Goddess. Also visit the great Buddhist stupa of Swayambhunath.
- DAY 4 Kathmandu. Drive to Patan and see Durbar Square and the Palace Complex. In the afternoon visit the great Temple of Pashupatinath, the holiest of Nepal's shrines.
- DAY 5 Kathmandu-Pero. Fly to Pero and stay overnight. On a clear day the flight affords breathtaking views of the great Himalayan peaks.
- DAY 6 Thimphu. Drive to Bhutan's capital since 1955. Here in the broad fertile valley of the Wang Chu River, visit the National Library which houses a splendid collection of ancient manuscripts and the 'Traditional Medicine Institute' where centuries old healing arts are still practised. Time permitting visit the Handicrafts Emporium or witness a mask and folk dance performance by the Royal Academy of Performing Arts.
- DAY 7 Thimphu. Visit the Tashicho Dzong, Bhutan's administrative and religious centre on the banks of the river and the historic Simtokha Dzong which houses the Rangye School for Monastic Studies.
- DAY 8 Tongsa. Drive through the thickly forested mountain roads to Tongsa to see the impressive Tongsa Dzong, the ancestral home of Bhutan's royal family. Stay overnight.
- DAY 9 Thimphu. Return to Thimphu at a leisurely pace, driving through magical countryside. Stay overnight.
- DAY 10 & 11 Pero. A short drive takes us to Pero to attend various festival celebrations and visit the Rimpoche (Pado) Zong, a treasure house of art and writings. There are splendid views of the whole valley. Permission will also be sought to visit the 'Tigers Nest' precariously situated on the edge of a sheer cliff.
- DAY 12 Pero-Kathmandu. Fly to Kathmandu. Stay 2 nights.
- DAY 13 Kathmandu. Drive to Bhadgon and see the Golden Gate, the Five-storied Nyatapola Temple and the Palace of Fifty Five Windows.
- DAY 14 Kathmandu-Lhasa. Fly to Lhasa and stay 3 nights.
- DAY 15 & 16 Lhasa. Visits will be made to the Great Potala Palace, founded in the 7th century and added to and restored through the ages. See the decorated halls with their fine wall paintings, the magnificent treasury pagodas, ritual vessels and porcelain. Also see the 7th century Jo Khang Monastery, an important Pilgrimage Centre and the Summer palace.
- DAY 17 Lhasa. Drive across the vast Yangbajun Plateau and cross the Brahmaputra River to Kagaze. Stay 2 nights.



DAY 18 Kagaze. Visit the Tashichung Monastery, one of the six great centres of Lamaism. See the Panchen Lama's throne in the Great Hall, the 15th century wall paintings and some fine statues. Later see the market and the Shaky Monastery founded in 1040.

DAY 19 Lhasa. Drive back to Lhasa for 2 nights.

DAY 20 Lhasa. A leisurely day visiting a market and the Dragpa Hillside Monastery built in the early 1400's, once the largest and richest monastery in the world.

DAY 21 Lhasa-Kathmandu. Fly to Kathmandu. Stay overnight.

DAY 22 Kathmandu-London (Gatwick). Day flight arriving in the early evening.

1997/1998 DEPARTURE DATES AND PRICES PER PERSON IN TWIN BEDDED ROOM

23 March 1997	£4695
22 March 1998	£5070
Single room supplement	£550

Prices subject to exchange.

Price includes: Economy class air travel, accommodation in first class hotels, Kathmandu and Lhasa and best available elsewhere, all meals except breakfast only in Kathmandu, all excursions, local guides, entrance fees and donations, UK departure tax, Guest Lecturer, Tour Manager.

Not included: Travel insurance, visas, airport taxes, gratuities.

Note: This itinerary includes some high altitude visits. Anyone concerned about this should consult their GP.

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The spacious turn-of-the-century houses overlooking the River Allier in Vichy no doubt justify the grandiose name of Boulevard des États-Unis. But judging by the high concentration of brass plates on the doors, the road might well have been better named Boulevard des Médecins.

For a settlement with a population of less than 30,000, Vichy is home to 130 doctors, with at least 70 specialising in "thermalism" - or the curative effects of spring water - for those who live locally, but particularly for the thousands of visitors who arrive each year seeking relief from their ailments.

Walk around the town, with its grand avenues, parks, hotels, public buildings and shops, and there is little doubt of the importance of the money brought in by those seeking the waters - an activity important at least since Roman times.

Vichy's reputation took on a different and more damaging tone during the second world war, of course, when it became the headquarters for the government of Marshal Pétain - a decision itself partly linked to the abundance of hotel space providing lodgings and offices for his collaborators.

Since then, much has been done to dispense with that legacy. The administration certainly wasted no time in attempting to wash away the memory. Place Charles de Gaulle, Place de la Victoire, and Boulevard Président John Kennedy are among the names that dominate the street map today - alongside, of course, Avenue Thermale and the Parc des Sources.

"Maybe one in a thousand people think about the Pétain era when they think of Vichy," Michel Couët, director of the recently-opened Celestins hotel and health complex, says dismissively. "It is marginal. Most people couldn't care less."

Without diminishing the ugliness of the Pétain era, the forces that have most shaped contemporary Vichy remain most closely linked to its numerous hot and cold thermal springs. The mineral-enriched waters have spawned numerous industries, whether bottled directly, or used as an

Vichy seeks a new cure

Andrew Jack on an ailing industry



Vichy: shaped by its thermal springs

ingredient in the white Vichy pastilles and the L'Oréal cosmetics brand.

Yet the basis for the town's success was, above all, its baths. From 1868, the French state granted the concession for the water to Compagnie Fermière de Vichy, which built treatment centres and recycled some of its profits into developing nearby shopping, parks, opera and casino facilities.

Walking round the recently renovated Centre Thermal des Dômes, with its Ottoman-style towers and facade, you see clients in white robes and towels weaving their way between swimming pools, exercise areas and a series of cubicles in which they are hoisted down, covered in mud or soaked in the water pumped directly into the building.

Vichy's own trademark is the extremely popular four-handed massage, during which two masseuses (all are women) spend 10 minutes rubbing different parts of the patient's body as high pressure water descends from a series of outlets.

Each of France's 100-odd thermal centres has its own speciality. For Vichy, it is rheumatology and digestive problems. But does it work?

Christiane Lepret from the Compagnie de Fermière has no doubts. "Thermalism has existed since antiquity," she says. "It's still going, it's because it is effective. Three-quarters of our clients come back repeatedly. Some have been coming for 30 years."

She also points proudly to a scientific study widely cited in the town - a FFram report commissioned by the company from Professor Michel Revel of the Cochin Hospital in Paris. Between 1982 and 1994, his team studied 188 patients who suffered from arthritis. There was a significant reduction in the use of drugs by those 96 who took a thermal cure.

There is at least one strong alternative explanation for why so many people take the waters. They spend three weeks for a full "cure" in a calm environment with plenty of free time to take advantage of the pleasant surroundings. And the costs of their treatment are largely reimbursed by France's generous social security system.

Doctors under France's traditionally generous health care system are hard put to refuse a request for the fear that their

clients will simply go elsewhere with their fees and find a consultant more sympathetic to their beliefs.

It is no coincidence that at the entrance to Thiermes de Vichy, the town's second centre, right opposite the Dômes, is an office operated by the social security system, providing help for those battling with the paperwork for refunds from the state.

Madame Lepret stresses that only 0.5 per cent of France's annual "recut" budget is spent on thermalism, and that those who use it consume fewer drugs, hence helping to reduce national health care expenses.

Yet thermalism is clearly on the decline. Social security now only reimburses up to 66 per cent of the cost of a cure, and none of the accommodation and eating expenses. There are even reports now of some curists camping outside the town.

Even before the cutbacks, many point to a glorious period up until the 1940s when reimbursement was hardly a priority. During the first half of the century, 125,000 visitors a year, including many rich North African families, spent lavishly in seeking treatment for the "colonial eggs" or over-consumption.

"There used to be a real artistic season," laments Madame Lepret. "The station was à la mode." Today, there are only 13,000 people a year who make the trip, most of whom are retired and apace. There is little inclination to spend more than the minimum during their stay.

That explains why the new luxury Celestins centre, recently sold to its own management, is shifting its emphasis. It still offers its competitors' array of massages and fitness sessions, but it is focused on a youthful, high-spending thirty-something clientele, offering long weekend breaks and options such as personalised nutrition.

Couët, its director, puts it bluntly. "Vichy can no longer live by thermalism." His alternative strategy may well be a more realistic one. But it is certainly not good news for the town's dozens of specialist doctors or the past generations of curists die out.

Nicholas Woodsworth

TRAVEL

The flames rolled quickly through the undergrowth flaring upwards here and there with noisy crackles as they fed greedily on the driest clumps of brittle stems.

The hot midday wind fanned the fire forwards and it raced up the desiccated flanks covering the trunks of several paperbark trees, licking at the limbs above. It burned through the drooping dead fronds of a pandanus palm but moved quickly onwards.

Behind it, blackened logs smouldered in its path. Ahead, grasshoppers leapt to safety while stick insects staggered shakily away on either side, just the sort of tucker the black and whistling kites, circling through the rolling smoke, would swoop down to snatch. Another of Kakadu's controversial fires was well on its way.

Kakadu National Park, in Australia's Northern Territory, is the size of Wales and has now been accorded World Heritage Site status because of its cultural and wildlife importance.

The aboriginal people, or bininj as they prefer to call themselves, have lived here for thousands of years, coming down from the Arnhem Land plateau when the wetlands developed around the mouths of four rivers - the East, West and South Alligators and the Wildman.

These perennial wet areas attract water birds, particularly magpie geese, in spectacular numbers as marshlands elsewhere, created so prolifically in the rainy season gradually disappear in the dry.

They are also home to numerous fish species, notably barramundi, and to turtles. The bininj thrived and it is estimated that about 2,500 lived here, inhabiting rock shelters, which they decorated liberally with increasingly sophisticated paintings, and moving around their territory to hunt, burning as they went.

For bininj, fire is a way of cleaning up the bush and a burned area is a source of satisfaction. The display in the new, turtle-shaped, Warradjan cultural centre, which complements a nearby hotel constructed in the shape of a crocodile, explains that fire was used as an agricultural tool, a way of farming the bush, clearing some areas to make hunting easier and to reduce the danger from snakes, and encouraging a flush of grass to attract mammals. It was also used for signalling and, in some situations, it had a spiritual significance.

Kakadu is controlled by the traditional aboriginal owners who have a majority on the board of management. The day-to-day running is carried out by the Australian Nature Conservation Agency. Jeremy Russell-Smith, park projects officer and fire specialist, told me



The South Alligator River in the Kakadu National Park

Finding the fire people

Michael J. Woods visits Kakadu National Park, in Australia's Northern Territory

to Gulungul Spring in a rainforest filled gully and, as we ducked and weaved among the webs of spectacular venomous female golden orb spiders, he explained that the area has always seen fire, generally from lightning strikes in the late dry season when the burden of dry material was at its greatest.

Hot fires would rage down from Arnhem Land travelling for hundreds of miles and causing great destruction. The skill today is to create cool fires in the early dry season in order to protect areas such as the endemic Allomyrma rain forest, through which we were walking, against the risk of much hotter and destructive fires later in the year.

Russell-Smith is currently training staff in the use of fire. "We put fire into the landscape to work for us," he told me. "The art is in doing it sensitively, to burn as little as possible to maximise the desired effect."

Although the palls of smoke hanging over Kakadu in July might suggest otherwise, this park is

about much more than fire. I twice took a cruise on Jim-Jim Creek, which leads into the South Alligator River. Its entire catchment falls within the protection of the park. I shared the late afternoon boat with a party of school students from Melbourne desperate to see a crocodile. Our first sighting had them all hanging over the rail, almost providing the reptile with his supper.

On an early morning cruise I saw all five species of park kingfisher as well as geese, ducks, herons and egrets, spoonbills, pelicans, kites and sea eagles, many silhouetted against a spectacular sunrise.

I also travelled in the park with Roman Chaloupka who operates Magala Tours for the bininj traditional owners. They run low impact trips to their traditional lands which are normally closed off to visitors. Roman introduced me to several trees, among them the pandanus palm and the milkwood, both of which, he explained, were important to women for basket making and medicines.

We visited a number of rock shel-

ters, climbing up natural steps in the smooth creamy sandstone to find walls adorned with delicate dark red, ochre and white paintings of men hunting animals, men and women together, X-ray images of animals showing their bones and internal organs and pictures of spirits and their victims.

We rested on the warm rocks just as bininj must have in the past, leaning back in the sunshine and looking out over glistening blue water winding through bright green marsh grasses towards the open forest where silver foliaged trees rustled in the wind.

The extent of this privilege only became apparent on the following day when I went to Nourlangie Rock, a shelter of significant size profusely decorated and heaving with visitors. Fenced boardwalks keep grubby hands from the rock art. While this is done with sensitivity, there was none of the intimacy and peace of the previous day when, sitting in the sunshine, it felt distinctly possible that the occupants were simply out for the day and

were expected back at any moment.

On my last afternoon I called to say goodbye to Russell-Smith. He had spent his morning in a helicopter flying over a large bush fire on the park boundary with Arnhem Land, which had already spread into the deep gullies and was almost certainly among the Allomyrma. It had been lit by park staff, clearly without the required sensitivity. In despairing tones he told me it was "not good, not good at all".

Michael Woods flew to Australia with Qantas before returning flight to Darwin costs £1,017 (tel: 01345-747767) as a guest of the Australian Tourist Commission (tel: 01753-707096 for more information on Australia). He travelled to the more remote and restricted areas of Kakadu with Magala Tours, PO Box 96, Jabiru, Northern Territory 0896; tel: 089 798 411. The excellent Bininj Visitor Centre in Kakadu National Park will help plan your stay; tel: 089 381 100 and the cruises on Yellow Waters (Jim-Jim Creek) can be booked on 089 790 111.

Irish country house charm

Charlie Malzard still remembers, with obvious relish, the days when the McCalmonts lived at Mount Juliet. And so he should: old Major Victor McCalmont used to buy all his drink from him.

Do not imagine that was a trifle. In those days, says Irish country house authority John Colclough, Mount Juliet was run on the lines of a "grand turn-of-the-century hotel".

"I've still got some of that 1975 Charles Heidsieck champagne which the Major used to like down in the cellar," says Malzard from behind the bar of his pub in the nearby village of Stoneyford.

Apparently Victor's wife Bunny (who died in classic Anglo-Irish style: after falling off her horse) used to ring up whenever she had been up to the races at the Curragh: "Charlie, would you mind sending your car to pick me up from the races, I've invited some people to tea."

Oh, and they bought a bit of Guinness too. When the weather was fine the Major would seat himself on one of the great stone balls outside the front door, with a huge bucket full of beer and a collection of mugs. As the estate workers came past the house he would dish them out a jar.

Until the McCalmonts sold the house, an invitation to Mount Juliet used to be a red letter day for the generally impoverished survivors of the old "West British" set in Ireland. Of all the grand houses, only Mount Congreve could match it for splendour. A valet unpacked your case for you, and footmen stood behind every chair at dinner.

The McCalmonts were not a classic Anglo-Irish family, however. As Colclough points out, in one sense they were too Irish, in the other too English. Their roots were in Antrim in the north, but by the late 19th century they were ensconced in Cambridgeshire with the racing crowd.

Harry McCalmont was MP for Newmarket. In 1894 he inherited the fabulous sum of £4m. Eight years later he died at the age of 41. His wealth went to Dermot McCalmont, Victor's father, who was then just a boy.

Mount Juliet was still the property of the Butlers, Earls of Carrick. When, the McCalmonts had got richer with the century, the Butlers had got steadily poorer. The McCalmonts began to rent the vast Georgian house in Kilkenny from

the beginning of the century. In 1914 they bought out the Butlers.

The McCalmonts never abandoned their connection with the turf. They were at home in the world of racing. Ballylinch Stud came with the house. It was here that the Tetrarch, "the fastest horse in the history of the turf", lived and died.

Horses in various incarnations are still part of the appeal of Mount Juliet. When the McCalmonts could no longer afford to keep it up it was sold to Dr Mahony, the owner of the Toyota franchise for Ireland. Mahony uses sport to sell the hotel to its European and North American clientele. There is a golf course and clay-pigeon shooting.

The big house sits on a high bank above the River Nore with its plentiful trout. It dates from the 1700s and many of the ground floor rooms betray the influence of the Adam brothers. The best is the dining room, with its Wedgwood medallions. I slept in the Mount Juliet suite on the first floor where the chimney piece in the drawing room, with its crossed flutes and violin bows, suggested it might once have been a music room.

Mahony has recently installed Martin Nicholson to look after it all for him. Nicholson used to manage hotels in the Caribbean, but he is used to Ireland: he was born in Waterford which is only just down the road.

One of Nicholson's first moves has been to import his old chef from Caneel Bay in the American Virgin Islands. Up until now the kitchen has played too safe. The new chef, Frenchman Denis Meurgue, has a perkier, more eclectic style.

One lunchtime I drove to Graigueamannagh, a small town with 13 pubs and a pretty Georgian bridge over the Barrow. The Waterside (503 34246) has modern cooking and a well-chosen wine list.

Like Mount Juliet, the Waterside is evidence of a gradual process of modernisation in Ireland. Mount Juliet has seen such metamorphoses before: its charms were always available for a price, only now you do not have to wait for an invitation, and the cellar is still full.

Information: Mount Juliet, Thomastown, County Kilkenny, Ireland. Tel: 00 353 (0) 56 84488. Fax 24822. Prices for a double from £140 (low), £175 (mid), £205 (high).

Giles MacDonogh

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GARDENING / MOTORING

Gardening / Robin Lane Fox

Season of fruitful conflict

As we enter June, our images of nature and the garden stand in fruitful contradiction. My images are still tinged by memories of last week's show at Chelsea. They are haunted by the ideals of tidiness and exact staking with which I grew up. Images of nature are at their most seductive. When you look at a wood of bluebells or a field of buttercups this weekend, you may well wonder why we need tidy gardens and why we do not all opt for the meadow look.

This seductive opposition has always been strong and I think that it is set to become even more prominent. Cost, time and labour tell against intensely tidy gardening unless you happen to be a millionaire in early retirement. It is here that the other side of nature is waiting to burst out as June begins. The sudden rains have promoted a remarkable crop of young weeds where there was bare soil only two weeks ago. If we opt for the natural road, how do we cope with nature's own hordes which wreck a conventional garden?

This question is not answered by artistic photo-

graphs of Cow Parsley in full beauty at this time of year. It looks divine, but it will look a mess in three weeks. The place to enjoy it is on the perimeter or on a walk far afield. I have no sympathy with those who try to promote these images as the way forward in gardening. One aim of good gardening is to extend its season, maintain interest beyond July and please a range of plants which are not merely at their best when anything, even nettles, is looking green and inspiring.

On the other side, I am not alone in admitting, but avoiding, the precisely controlled order and neatness of many great gardens which can rely on a staff of two or three. We can, I suppose, imitate them in small spaces, but my garden of nearly two acres is not small and I appreciate the advantage that I can grow, kill and satisfy a much wider variety of plants than in the small oasis of perfection, 50 yards square.

What we want is a style of manageable order among a wildness which is not too demanding of our time or too dangerous for our plants' well-being. This style must continue for longer than the 10 easy weeks until the end of

June. I continue to experiment, but am not sure that I am winning.

Where do you go to see the possibilities? After a recent visit, I am tempted to say Great Dixter in East Sussex, open daily to afternoon visitors and home of our senior authority and writer on gardening, Christopher Lloyd. Much has

Apparent disorder is based on an extremely vigilant and critical eye

been said and written about this remarkable garden, including its taste in unexpected colours and the owner's gleeful removal of his rose bushes a few years ago. True, the roses were replaced by the ultimate abomination of polite gentry taste, batches of the reviled Canna. I do note, however, that the Canna-for-rose policy had already been sketched in Christopher Lloyd's classic book, *The Well Tempered Garden*, in

1970. All these aspects of Great Dixter are famous, but the one which interests me most is the garden's constant dialogue with the line between ordered tidiness and the natural world, enhanced by its owner's matchless eye and knowledge.

The line is most evident in the garden's areas of unknown meadow where the grass is suitably restrained and allows a competing colony of "wild" flowers. The meadow sections have been built up over time, but I have come to see how the same openness to plants and effects more usually classed as "wild" or "natural" run through much of this famous garden's planting.

There is a similar air of controlled wildness through so much of the planting, even though its natural peak of early June is long past in the surrounding countryside. How does one do it?

One precondition is to widen the scope of our knowledge and sensitivity. Anything from woodruff to moderately rampant spurge is pretty if you look at gardens with an eye which comprehends more among wild flowers than the annual spectacle of buttercups or bluebells. Lloyd knows so

much more than the rest of us, but he exhibits this knowledge in part in his re-definition of the line between the standard "garden" plant and the creatures which botanists classify in nature.

On principle, he also likes parts of the garden to have a gently invaded look. There must be a certain relish in hearing of visitors who think that it is looking messy or going back now that the owner is over 70. I am one of many who can testify that next to nothing is there because the owner has not thought whether he likes it.

The prowl begins from ram-onwards, guided by eyes which miss next to nothing. Apparent disorder is based on an extremely vigilant and critical eye and perhaps we can find the example which will push our own definitions of gardens and wild nature into a closer harmony. My ideal is to have a garden which looks as if it is just going out of control.

This weekend, that ideal is easy to realise for anyone who does not have an army of staff. It is less easy to re-create in late July or October. It is here that even at Dixter, the old dilemma asserts itself. What



David Austin Roses introduced seven new English roses to Chelsea this year including 'A Shropshire Rose'

you see, and should certainly visit, is a large garden, constantly maintained by this country's most knowledgeable private gardener and a team of up to four headed by the tireless Fergus, the all-important head gardener. It takes so

many people to maintain a great garden which looks wild in parts without being uncouth. If we are to emulate this example in gardens of half an acre or more, we still need to temper the style so that we are not swamped with butter-

cups or invaded by bindweed. *The Well Tempered Garden* is the most admired title of Dixter's owner, but the truth is that it is a creation against the background of nature which is always remarkable for a bad-tempered ability to hit back.

Motoring

A curvier image

Stuart Marshall on the rounded lines of Volvo's S40 and V40

Volvo cars and curvaceousness are no longer incompatible. The old school of Volvo stylists, who must surely have cut their professional teeth designing shipping containers, have gone. In their place is a team led by Peter Horbury, an Englishman, who clearly thinks cars should be rounded, not rectangular.

As a result, the new S40 and V40 Volvos are as different from the traditional ones as chalk is from cheese.

The Volvo S40 is a four-door saloon, the V40 (the V stands for versatility) is what you and I would call an estate though Volvo shies away from simplicity, preferring to describe this five-door with lots of luggage space as a touring estate.

Curiously, BMW and Rover have the same hang-up with their 3-Series and 400 life-style load carriers. They call them Touring and Tourer respectively, presumably to kill any ideas that they might be used to lug plastic bags of household rubbish to the corporation tip.

S40 and V40 are made in the Netherlands, rolling off the same production line as Mitsubishi's Carisma in a plant jointly owned by the two car companies and the Dutch government. From this, one might infer that S40 and V40 and Carisma are rebadged clones but nothing could be further from the truth.

True, they share the same platform - the modern equivalent of a chassis - and their critical dimensions are identical so as not to confuse the robots. But only 20 per cent of the bits and pieces are shared. Volvo uses its own engines, transmissions, suspensions and body panels.

Mitsubishi has aimed the Carisma, a highly competent if uncharismatic car, at the Mando/Vectra market. Volvo's ambitions for S40 and V40 are higher, with the Audi A4, BMW 3-Series and Rover 600 in its sights, for the posher examples of its large model range at any rate.

Volvo is offering S40 and V40 on such an extensive pick-and-mix basis that what the customer gets is not quite an individually tailor-made car but at least a stock special.

There are four "platform" models - 1.8-litre and 2-litre engines S40 and V40 - priced from £13,800 (1.8 S40) to £14,800 (2.0 V40). But this is only the beginning. Buyers have six specification packs to choose from, ranging from a handling pack (sports suspension) to luxury (air conditioning and leather seats).

Then there are 40 individual options - everything from a passenger airbag (£200) to integrated child seats (£250) - and 13 paint colours. In theory, 14,000 different derivatives are on offer.

The four-cylinder, 16-valve engines are Volvo's own and are closely related to the five-cylinder engines powering Volvo's first really modern car, the front-wheel driven 850.

Although the 1.8-litre produces 115 horsepower com-

pared with the two-litre unit's 140, its maximum torque (pulling power at a given speed) is only marginally less and is produced at lower revolutions. So, in practical terms, the two cars feel much the same to drive at legal speeds.

The 1.8-litre is said to take just over one second longer to reach 100kph (62mph) from a standstill (10.6 seconds against 9.3 seconds) and - as if it mattered - has a lower top speed (121kph/168kph against 130kph/200kph).

Realistically, it is the handling pack that makes most difference. The first new Volvo I drove was the £13,800 SV40 entry model. Frequently I prefer basic models to their sportier variants but in this case, I found the cheapest S40 was bland beyond belief.

On the A9 between Inverness airport and Skibo, it could have been any of the similarly priced European (or Euro-Japanese) competition and I was deeply sceptical of Volvo's claim that the S40/V40 could

Volvo Car UK expects to sell around 7,000 S40 saloons and V40s this year

look a BMW 3-Series or Audi A4 in the eye.

Next day, when I drove west to Ullapool in a £19,000-plus V40 1.8-litre with a handling pack, leather seats and all manner of luxury items, I was persuaded it could have been a BMW or Audi.

It felt more solid, sat down four-square on the road and cornered with greater precision. The engine and five-speed manual transmission were identical; so, of course, were the standing start acceleration times and pick-up for overtaking. But in character it was an executive car, not a "repmobile", and as pleasing to drive as the basic model had been boring.

Switching to a two-litre V40 for the return leg to Skibo revealed only marginal performance differences. Volvo Car UK expects to sell around 7,000 S40 saloons and V40 touring estates this year, rising to 20,000 next year, when a 1.9-litre turbo-diesel will be added to the range.

□ □ □

The trouble with motor shows is that everything on display is static when the whole purpose of all those gleaming cars is to provide personal mobility.

So full marks to BBC's Top Gear programme for setting up a new kind of motoring event at Silverstone Circuit, Northamptonshire, from July 18-22. The exhibits will be seen in action and some will be available to drive - under supervision and on payment of a fee. For full details, call BBC Haymarket Exhibitions on 0171-402 2555 (fax 0171-402 0920).



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OUTDOORS

Everest shows its wicked side

Richard Cowper has just returned from the Himalayas. His report focuses on a mixture of success and tragedy

In a season marred by tragedy, Alan Hinkes, Britain's most controversial and outspoken Himalayan mountaineer, has finally made it to the top of Everest on his third attempt, bringing to six the number of 8,000-metre peaks under his belt, more than any other Briton.

But his unlikely climbing partner, Brian Blessed, the 16-stone actor, was forced to turn back just 1,468 metres short of the summit.

Blessed is obsessed with his hero, George Leigh Mallory, who disappeared in mysterious circumstances on the north side of Everest in 1924.

The actor turned back ostensibly because of high winds, fear of frostbite and exhaustion. But this may have only been part of the reason.

Just four days before the two climbers started their summit attempt on May 15 up the windswept north ridge, news had started to filter back down the mountain of the first of 10 deaths on the mountain, the greatest number of people to have been killed on Everest in a single season since climbing began there in 1921.

In particular, hearing how two Japanese climbers, Hiroshi Hanada and Eisuke Shigekawa, were said to have ignored three dying Indians on their way to the summit on May 11 so horrified the sensitive actor that his normal self-confidence seemed to have deserted him.

"The winds were terrible. The death of the Indians and the bad weather patterns really did help me make my mind up. My fingers and feet were beginning to suffer frostbite. It scared me. Everest was showing a wicked side to its nature," says Blessed, explaining his decision along with Martin Barnicot, his personal guide, to turn back at 7,380 metres.

This was to be his first and only attempt on the peak this spring. "Mental stamina is the most important. My heart no longer seemed to be in the climb. By then I had blown it. I couldn't recharge," said the actor.

Had Blessed gone to the top he would have had to walk past the frozen bodies of two of the Indians, one at around 8,680 metres, 50 metres above the second step, the biggest climbing obstacle on the ridge, and the other 100 metres above Camp III and below the first step.

Physically and mentally tougher, Hinkes and TV director Matt Dickinson - who was making a film based on the premise that Blessed would get to top - descended to the North Col at just over 7,000 metres along with the actor. But the following day both were strong enough to head back up, eventually to reach the summit on May 19 in mixed conditions.

Hinkes used oxygen for the first time and brought up the rear behind three sherpas and Dickinson, all from the British 1996 North Ridge Everest Expedition. He said: "I did not feel I was pushing the boat out like I was on K2. Even if I did use oxygen, it's done. I don't regret it."

"My job was to film from the top. It felt like a day in the Alps except for that one poignant moment, just below the summit, when I came across the Indian without his jacket, lying in the snow."

Perhaps partly driven by the loss of his mother at the age of 12 and a father who never appreciated him, the refreshingly direct Yorkshireman makes no secret of his ambitions. For him Everest is simply the biggest tick on his way to mountaineering stardom.

Later this month in a grueling schedule he plans to climb Gasherbrum I and II in the Pakistan Karakoram mountains in his drive to become the first Briton to climb all 14 of the world's 8,000-metre peaks, a feat achieved so far by just four people.

"We have been totally overwhelmed by other nations in this respect. I hope to bag them off as quickly as possible by the safest routes," said a jubilant Hinkes, after brushing off suggestions that his oxygen-led ascent of Everest's north ridge route may have lacked style and originality.

On Everest this spring, Hinkes was not alone in this respect. Of the 15 expeditions on the Tibetan side, involving as many as 200 climbers, only three were attempting anything remotely aimed at pushing back the boundaries of Himalayan mountaineering.

Most impressive was a Russian team's successful attempt on a beautiful snow and ice gully, newly named the Siberian couloir - just to the east of the North Col.

Also trying to break fresh ground was Hans Kammerlander, 39, the Italian partner of Reinhold Messner. He was the only climber on the north side to reach the summit without the use of bottled oxygen this season and he combined this with a hair-raising part-descent of Norton's couloir on skis, the most prominent feature on the great north face of Everest. A complete ski descent was made impossible by the lack of snow in the couloir and a band of

For Hinkes, Everest is simply the biggest tick on his way to stardom

ice-cliffs about half way down.

Earlier a Slovenian attempt to ski the same couloir failed when the expedition's only skier, Davorin Karolc, suffered severe frostbite in the fingers of one hand.

To date, there has been no accepted ski descent of the world's highest mountain. A Japanese attempt more than a decade ago involved a descent in the no-man's land between Lhotse and Everest and has not been counted as a descent of the mountain proper. Kammerlander's claim may meet the same fate because of its intermittent nature.

Hinkes, meanwhile, remains unmoved by pleas from fellow British mountaineers to "fulfil" his own undoubted talents by going for new routes on the big mountains. For him, being a highly competent journeyman mountaineer, successfully making a living, is acclaim enough.

Blond-haired with ice-blue eyes, when he is not away on expeditions he acts as a model and adviser to Berghaus, the mountaineering outfitters owned by Pentland, the sportswear and consumer products group. He is also sponsored by Land Rover.

A typically uncompromising Yorkshireman, Hinkes is undoubtedly at the pinnacle of his career as a climbing athlete. His success on Everest this year comes after he achieved his own personal high point last July when he climbed K2, what he calls the "mountaineer's mountain".

But in spite of these public triumphs he has gained a controversial reputation among his peers, notably for his insensitive criticism of Alison Hargreaves, the British mountaineer who died on K2 shortly after Hinkes' own success on that mountain.

If Hinkes is capable of defying popular opinion, so is Brian Blessed. Among public, family and friends alike it was assumed that the star of *Cats* and *Z Cars* would be making his very last attempt on Everest this year, come what may.

Yet just two months short of his 60th birthday, the actor says he plans to go back to the south side of the mountain within three years to try for a fourth shot at the summit. "It is not that I fear a dream has finally ended. It's simply not time to quit. Sherpa Tensing went to Everest seven times before he finally succeeded," says the unabashed showman.

Richard Cowper was supported on the expedition by North Face, Berghaus, Bollé, Snow + Rock, Lufthansa and Kodak and Himalayan Kingdom Expeditions.



On the north side of Everest, loading up at base camp in Tibet at 5,200 metres. Everest, with its steep north face pyramid, is in the distance

Richard Cowper

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Alan Hinkes: making a living is acclaim enough

BOOKS

In order to research and write this book, the author, a young black Oxford University doctoral candidate, spent a year living as "one of the boys" among two groups of young black Londoners. She states, in her introduction, that her "study" is of "culture".

"I believe that the collective styles of black youth... can only be strengthened by the resistance to any imposed definition of 'blackness' and the recognition of the cultural battle for the ideological space to be 'black' - whatever that may mean."

Well indeed, whatever that may mean. Claire Alexander achieved her doctorate with this study, and will in all probability go on to enjoy the fine career that she deserves. But there is a problem with this book which speaks to the heart of the academy, the publishing world, and ultimately to British people's understanding of the wealth of history and research on their doorsteps.

One of the more disturbing

THE ART OF BEING BLACK
by Claire Alexander
Oxford University Press £16.99, 200 pages

recent developments within the American academy has been the growth of "black studies". Historically such departments evolved out of post civil rights optimism and (it has to be admitted) guilt. Initially these departments were underpinned with research and scholarship which keyed into history, literature and sociology in a rational and coherent manner. These days they seem to have become dumping grounds for scholars and students whose main qualification for membership is what they see in the mirror when they brush their teeth in the morning.

As though fearful of appearing to be unhip (or dare we say "unblack"), their "high" work is often peppered with references to "low" work, which authenticates their otherwise tenuous (and often tenuous) position. Alexander punctuates the passage quoted above with these three (relevant?) lines from the British soul band Soul II Soul: "Whatever you claim to be

Yours, That's the nature of this game"

Had she not informed me it was Soul II Soul, I would have guessed at Abba.

The Art of Being Black ushers us through the primary areas of contemporary black people's lives. We move from the home, to work, we explore their social life, and their attitudes to their peer group and to women.

The narrative structure is in three parts. First, there is Alexander's first-person engagement with her "players", (as she terms them). "On a night out with Clive and Nathan, walking across Leicester Square to get to a wine bar..." Second, there are the first-person extracts from conversations with her players. "My colour does interfere quite a lot with the positions I can



Young, black and British are they ill-served by "cultural studies" from an academy unsure of its legitimate connection to the real world?

Cultural references

Caryl Phillips goes in search of the real black British experience

get... I think they think of me as another coon, a black person who thinks he's got a bit of brains..." As long as the book stays true to these two narrative points of view, it remains on relatively stable ground.

However, the third and largest portion of the book is written in the flatulent, unnecessarily obfuscating, and redundant argot of an academy which is unsure of its own legitimate connection to the real world and seeks to "control" that world by appropriation of its vocabulary or by throwing up a smokescreen of mumbo-jumbo which does disservice to both the players and the English language.

Surely there has to be another way of talking about a haircut than this: "What it meant to those wearing it remained largely unconsidered, merely assumed. It was also assumed that because the external trappings had only been reached public attention, the impetus behind them had itself been recently created."

The "art" of being black (in

itself not a bad, if somewhat misleading, title) was first explored by the American intellectual W.E.B. Du Bois in 1903. He described the "Negro condition" as being characterized by a kind of "double-consciousness", a state of being in which, as a black person, one was often forced to look "at one's self through the eyes of others".

The gap between one's sense of self and this knowledge of how others viewed one, was the space in which most black people lived. Black people's ability to be both aware of the stereotype, and to manipulate their lives in this often narrow zone, has constituted the 20th century condition of those of the African diaspora.

Bearing Du Bois in mind (and Alexander quotes from him), the book's conclusion is disappointing. She is able to sum up, in less than two pages, what has happened to her players. It is a shame that she should be so brief because we do learn about the black English condition through her

field work. It is only when she returns to Oxford to process her work that she loses us.

The stories of young black people trying to get to university with neither money nor parental support, or of the difficulty of living with parents who are still culturally attuned to a world they left behind 40 years ago, are narratives which ought to form the heart of the work.

But the book is that strange, yet familiar, creature: the doctoral thesis buffed up for publication, and to this end the publishers have to take some responsibility. The "triple" narrative is not properly stitched together, for the book lurches clumsily from one point of view to another, and it is overly foot-noted and at times incorrectly so.

The author makes much reference to a pioneering work in this field, *Endless Pressure* by Ken Pryce, which does, thankfully, place primary emphasis on the author's field work among the black community of Bristol. Pryce states in his

introduction that the research took place between 1969 and 1974. Alexander's book, however, continually states that the book was published in 1987. *Endless Pressure* was, in fact, first published in 1973.

Oxford University Press has rushed into print with a British "companion piece" to the "culturally black" US academic work that it published by Henry Louis Gates and Michael Eric Dyson. But a greater service to this author would have been the provision of better editorial help and back-up in making the often difficult transition from thesis to book.

To allow Alexander to conclude with the following statement is an abdication of editorial responsibility, for such banality does a service to nobody, least of all the black British community which has been a presence in this country for 500 years.

"Being black" is at once a demand for inclusion within the bounds of 'British' identity and a celebration of hybridity - 'I am not, really, a stranger

any longer" (Baldwin 1985).

It makes no sense for Alexander to litter her text with quotes from Cornel West, Henry Louis Gates or even James Baldwin, while failing to mention Olaudah Equiano, Ignatius Sancho, Robert Wedderburn, Mary Prince or any of the black British writers and citizens who have struggled to be included "within the bounds of 'British' identity". These people are the direct antecedents of her players.

In this same manner, as eloquent as the American academic icons are, the pioneering work of Paul Edwards, and the work of James Walvin, to name just two British academics, has provided a more stable and critically important platform for scholars such as Alexander.

The often self-aggrandising rhetoric which has been emanating from the cloistered world of American black studies departments bears only a tangential relationship to the British condition. We must exercise vigilance.

Pitt the magnificent

William Pitt the Younger was born in the Annus Mirabilis, 1759, the year in which his father, soon to be created Earl of Chatham, presided over a great succession of British victories - from the frozen shores of Canada to the tropical heat of India, by land and by sea - which extended the British Empire and secured its foundations.

A mere 24 years later the precociously brilliant younger Pitt was himself prime minister, a mere boy in age but so eloquent, commanding and self-possessed, that after his maiden speech in the House of Commons the great Charles James Fox described him as "already the first man in Parliament".

Pitt was prime minister from 1763 to 1801, and again from 1804 to his death in 1806. If the French Revolution had not happened he would be remembered as a great statesman. In the peaceful first six years of his ministry he showed himself to be liberal-minded and astute; he was a promoter of parliamentary reform, an enemy of the slave trade, and a good manager of the economy.

He was austere in his political morals, refusing the easy self-enrichment offered by service under the Crown. But unlike his father he had few gifts as a war leader, and when the long and costly conflict with France began he made bad mistakes, both in the prosecution of the war and in repressive and illiberal domestic policies designed to safeguard against revolution.

Almost the only positive achievements of Pitt's wartime work were the introduction of income tax - a clever way of raising revenue than the indirect taxes which chiefly disadvantaged lower income groups - and his attempt to remove the legal disabilities of Roman Catholics when union was effected between England and Ireland.

Had it not been for the intransigence of George III, the subsequent history of Ireland might have been very different. Pitt resigned over the question, but returned to office when the inadequacies of his successor, Addington, became manifest. By then Pitt was ill, and the continued failure of the Allied war effort against Napoleon proved too much for his strength.

The last nine years of Pitt's life are minutely and absorbingly dissected in this third volume of John Ehrman's monumental biography. If ever there was scholarship at once majestic, profound and grippingly readable, this is it. The first of Ehrman's massive tomes appeared 27 years ago, the second 13 years ago. The book is accordingly a life work, and Ehrman's knowledge of the years of Pitt's ministries is extraordinary.

But what transforms his account is the sagacity of his judgments and the luminous ease of his prose. In Pitt's time party loyalties were fluid, and much depended on eloquence in the House. To the hour came the men; it was an age of magnificent parliamentarians capable of swaying the course of empire by a single speech. Pitt and Fox were outstanding orators, and debates in the packed and electric House were gladiatorial. Place all this in the even header setting of revolution and war, and the tension in each line of Ehrman's book keeps one turning its pages as if it were a thriller.

The story ranges from financial crises to mutinies in the navy, from the politics of union with Ireland to largely unsuccessful attempts at prosecution of the French war. In Ehrman's masterly narrative we are taken into the cabinet and the royal levee, and constantly in the background can be heard the sometimes ominously loud growl of that fickle beast, public opinion. Not even in Pitt's brief retirement are

THE YOUNGER PITT: THE CONSUMING STRUGGLE
by John Ehrman
Constable £25, 882 pages

the tensions of Westminster

lost to sight, because Pitt did

not sequester himself; it seems

he knew that he would soon

have to resume office.

Pitt's life was his work, and

there is little of a private

nature to be told. Ehrman's

account is accordingly a political

biography, or perhaps it is

history rather than biography.

Whatever the label, it is mag-

nificent. At the end Ehrman

speculates a little: the solitude,

privacy and austerity of Pitt's

life betokens some deep indi-

viduality, and Ehrman men-

tions the possibility that he

was homosexual.

But he takes his cue from

Macaulay, who in his famous

essay on Pitt says that what-

ever was the case in this

regard, Pitt kept it in "decor-

ous obscurity". Everyone

knows that Pitt had been

advised by his doctors, when

the precocious young went up

at Cambridge aged 14, to drink

two bottles of port a day;

which, over the years, he said,

was undoubtedly bad. But here

Macaulay remarks that two bottles

of port for Pitt were as two

diabets of tea for anyone else.

A close reading of history,

such as Ehrman gives us,

teaches how little the essen-

tial change. It is dispiriting to

find the same obtuseness and

stupidity present in the politics

of the 1990s as in the 1790s. But

without a study of history,

what possible hope would

there be of lessons being

learned?

A.C. Grayling

The chief thing I remember about my 40th birthday was giving up a brief attachment to vegetarianism. It was a low-key event, celebrated with a plate of calves' liver in an Italian restaurant, and I somehow failed to realise that I was powering into my Flourishing Forties, or that the Little Death of First Adulthood was looming up ahead.

This is not as alarming as it sounds. "The New Map of Adult Life", printed in colour on the endpapers of Gail Sheehy's *New Passages*, resembles nothing so much as a guide to a theme park.

This is life as a Disneyland adventure, with the low points (menopause and a Meaning Crisis for both sexes) compensated for by an Optimism Surge, Passage to the Age of Mastery and the promise of Mature Love.

Life ends, according to this optimistic schema, not with death but a leap off the edge of the page into the Uninhibited Eighties. Sheehy's text follows, page on page of statistics, interviews and unintentionally hilarious prose - "He described the many different opportunities for closeness on a golf course" - which illustrate her thesis that there has been a revolution in the adult life cycle.

What this amounts to is that many people now look and feel five to 10 years younger than their biological age. This is so obviously true, especially for women in middle-age who remember how conservatively their own mothers dressed and

All change at forty

Joan Smith on a fresh but flawed approach to an age-old story

behaved at 50, that it is not at first sight promising material for a book.

This is to underestimate Sheehy for whom the phenomenon represents not just a breaking-down of the old order but an opportunity to create a new one.

"Imagine the day you turn 40 as the infancy of another life," she enthuses, introducing her concept of a "Second Adulthood in middle life". There is an echo here of *The Fountain of Age* by Betty Friedan, which vigorously advocated taking up new interests, lovers and challenges in the second half of life instead of accepting inevitable decline.

But Sheehy is the author of the original *Passages*, a text credited with popularising the notion that adult life is not fixed or static but subject to as many crises as childhood and adolescence.

And the increasing longevity of people on both sides of the Atlantic has prompted her to update that idea and provide, in *New Passages*, a self-help manual for people who find themselves feeling more youthful than their birth certificates attest.

This is not to argue that the book is a cynical exercise. Sheehy is an indefatigable researcher and her accounts of attending conferences and setting up surveys, interviews, dinner parties - even a breakfast meeting in Detroit at which blue-collar men speak about their anxieties - are

exhausting to read. She has talked to middle-aged women who are having a good time and middle-aged men who are not; Sheehy's 40-something females stride through smart hotels in sexy ankle-boots, leaving her male interviewees to fret about redundancy, impotence and prostate cancer.

The book's faults, though, are as large as its ambitions.

NEW PASSAGES: MAPPING YOUR LIFE ACROSS TIME
by Gail Sheehy
HarperCollins £16.99, 301 pages

Sheehy's prose is journalistic in the worst sense, which is to say uncritical, repetitious and dazzled by celebrity.

"Divorced in middle life, he met a woman who lectures on miracles" is a typically baffling introduction to one of her interviewees (a "New-Age electrician", a job description I have not previously encountered).

Older childless women undergoing fertility treatment are kicked off for "late baby-making" but Clint Eastwood is patted on the back for becoming a father again at the age of 63.

Most problematic of all is the assumption that everyone can be made to fit neat categories.

Women who fall in love in their 60s are having "Survivor Sex", men who become fathers

in their 50s are "Start-Over Dads", older female role models are "Wisewomen". This produces a sense, throughout the book, that Sheehy, in common with many Americans, is alarmed by complexity and unruly lives.

She also comes close, in spite of her acknowledgement that poverty and depression are linked to class, to suggesting that people have complete control over their lives.

"Successful ageing is literally a career choice", is one of the homilies which appear, framed like improving Victorian samplers, throughout the text. "It requires a new focus, energy, discipline, and a whole set of strategies" - a list which could easily be expanded to include money, education and good genes.

What this book confirms, if you ignore its cloying, confessional tone and relentless position for taxonomy, is the extent to which assumptions about human beings which would have held good a generation ago are already out of date.

One of the most striking changes is the removal of the self by date on female sexuality, at least in women's own minds: another is the collapse of the notion of a linear progression through life, from marriage to parenthood to couples growing old gracefully together, and its replacement by serial relationships.

Whether people need Sheehy's book to guide them through these new patterns is another question.

They would certainly be well advised not to place too much reliance on her conclusion that "if every day is an awakening, you will just keep growing".

I'm sorry to be a party-pooper but, while Sheehy omits it from her New Map of Adult Life, one day we just stop growing and die.

Ode to an Edwardian

Jackie Wullschlager on the extraordinary life of Violet Bonham-Carter

When an article in *The Spectator* gave common currency to the term "the Establishment" 40 years ago, it was defined in a sentence which mentioned only one person by name.

"Anyone who has at any point been close to the exercise of power," wrote the journalist Henry Fairlie, "will know what I mean when I say that the Establishment can be seen at work in the activities of, not only the prime minister, the Archbishop of Canterbury and the Earl Marshal, but of such lesser mortals as the chairman of the Arts Council, the director-general of the BBC, and even the editor of the *Times*, not to mention divinites like Lady Violet Bonham-Carter."

Violet Bonham-Carter is best known to history as a daughter. She was Asquith's fourth child, the only girl from his first marriage, and everything that made her 1885's epitome of the Establishment stemmed from her upper-class liberal background and her exceptional role as her father's confidante. At 20, on holiday in Italy, she sent her father a telegram: "How dare you become prime minister when I'm away great love constant thought Violet", and he replied, "The only thing that makes me sad is that you should have been away. You & I have been through so many adventures together".

The political instinct and the high moral tone, the ferocious dignity and the sense of noblesse oblige, even the whip-lash tongue - she once described Sir Stafford Cripps as being "like a poker without its occasional warmth": all can be traced to her teens and 20s

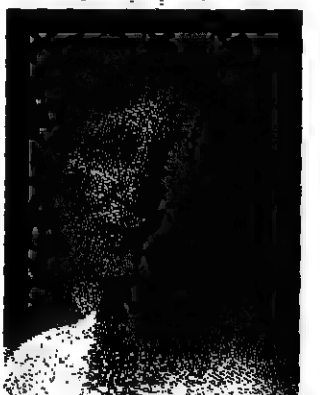
LANTERN SLIDES: THE DIARIES AND LETTERS OF VIOLET BONHAM-CARTER 1904-14
edited by Mark Bonham-Carter and Mark Pottle
Weidenfeld & Nicolson £20, 461 pages

when home was Downing Street.

The letters and diaries from these years tell the enjoyable story of a character in the making. Asquithian prejudice and the famous patronising shrewdness are there from the start. "Quite an amusing meal", aged 22, of lunch at 11 Downing Street. "I sat next to Lloyd George who has charm no doubt but no sense of humour & I think an inferior sense of words to Winston's. Mrs LIG very homely and pathetic... It is hard on Father to be bound to a man with so little instinct of taste or dignity".

Innocence - scores of letters to her best friend, "darling" Venetia Stanley, who was conducting a clandestine epistolary romance with Asquith - mixes with arrogance. On the engagement of Clementine ("the Horner") to Churchill: "His wife could never be more to him than an ornamental sideboard. Whether he will ultimately mind her being as stupid as an owl I don't know. She will have rest at least from making her own clothes."

It is the young girl's passion for personality, for outrage, jealousy and loyalty, that brings the politics alive. Tony Benn once wrote that Violet



Violet Bonham-Carter best known as a daughter
Hulton-Getty

belonged to the "couldn't care more brigade". "The human side of life is to me so intensely, engrossingly interesting," she says at 18. "Unless one was possessed with rare creative faculties, one ought to measure the success of one's life by the amount of love one has given and taken".

She was, of course, surrounded by clever, eager young men, but most seemed pale shadows compared with her father, and it took the motor accident in 1909 of one suitor, Archie Gordon, to raise his star above the others and provoke her to a fertile, death-bed engagement. Asquith missed cabinet meetings to come to bless the union, but hours later Archie died and for the next three years Violet's diary took the form of highly strung letters to him.

But her natural high spirits, her indignant response to the world, the blazing love for Asquith, were unquenchable. In 1910, when Churchill admired the boy's club she

opened in Archie's memory in Hoxton. "How dare they touch on my sacred joy and call it good works. Dearest, though I have lost so much I yet do feel that there is more of me there than there was last year". In 1912, "the most thrilling experience of my life - I went up on a gigantic biplane... I only live to do it again. Father who would never have let me go up - is now rather proud of my having done it".

There flows here, writes Roy Jenkins in his introduction, "the full self-confidence of patrician Edwardian liberalism, accompanied by a certain emotional lushness which recalls a somewhat earlier age, a Pre-Raphaelite picture, a requiem by Saint-Saens".

Much has been written about Edwardian England, but throw-away remarks here evoke the mores of that era with a rare immediacy. When Raymond Asquith's first child is born, for example, the prime minister is asked "Is it a boy?" and replies "with fearful solemnity". "No, not a boy", and "Raymond accepts his daughter as if she were a Varsity scholarship. I do not mean that he is not pleased, as he obviously is, but he would not dream of mentioning it to anyone as a possible place of news of interest".

"How strange it would be and how frightening", Violet muses in 1910, "if one could see isolated scenes of one's life in advance, like lantern-slides, without knowing where they were or when, what led up to them or what followed". Open this wonderful book on any page, and you get a lantern-slide glimpse into a fascinating mind being formed by a privileged milieu in its heyday.

BOOKS

Revolution – via the ballot box

Socialism's main achievement has been to civilise capitalism, writes Malcolm Rutherford

One of the slogans that appeared in Paris during the famous events of May 1968 was "Be a realist, demand the impossible". And one of the reasons why the events continue to be known simply as "the events" is that nobody can think of a better word to describe them. They began as a spontaneous uprising by students which shocked the establishment – left and right alike.

Yet some of the students knew what they wanted. As Daniel Cohn-Bendit said at the time: "The workers will obtain the satisfaction of a number of material demands, and the moderates in the student movement and the teachers will put through important university reforms." There would be no revolutionary adjustments. That is exactly what happened.

The episode may be taken as a summary of 100 years of socialism.

Donald Sassoon concludes his long book on the subject with the thought that, in western Europe, "the main achievement of socialism in the last hundred years has been the civilising of capitalism". The corollary remains, however, that if the socialists had not demanded the impossible, they would have achieved even less.

Sassoon seems a little sad about this. He also cannot quite conceal a wish that the US does not exist. The US, he writes, is "the only capitalist power devoid of a strong socialist party". Thus, when the cold war broke out in the late 1940s, west European socialism "had to develop under the international protection of a country

whose ethos, traditions and outlook were deeply hostile to socialism". Socialism in the other part of Europe, of course, had already fallen prey to Stalinism.

One suspects that the world, or at least the Europe, Sassoon would like is one where all roads lead to socialism. Nevertheless, he gives a compelling account of the obstacles along the way. The fundamental question was whether socialism required a revolution or whether it could be achieved through the ballot box. The revolution in Russia in 1917 pointed to the former, yet as early as 1920 splits in the European left, whether called communist or socialist, were apparent. The Soviet Union sought to control the move-

ment. Soviet defects went largely unnoticed because the USSR was unaffected by the crash of 1929. Soviet planning seemed the order of the day and the Soviet Union

emerged as a hero from the second world war. Some western communist parties only became disenchanted when the tanks went into Hungary in 1956, but their allegiance to Moscow had long

deprived them of domestic support.

The maintenance of strong communist parties in western Europe, notably France and Italy, meant that the left was divided. Sassoon calls the 1950s the golden age of capitalism as consumerism began to spread. Yet it is not as if socialism failed to have an influence. Even Conservative parties could introduce measures of social welfare, if only to keep the workers happy. The Germans had introduced health insurance and a general pension scheme in the 1880s and there was no automatic reason why the rise of an organised labour movement should automatically lead to socialism.

Apart from the argument

between revolution and the ballot box, there was also the question of what socialism means. No fully satisfactory definition exists. Anthony Crosland probably came closest when he referred to a "set of values", the most important of which was that "every individual should have an equal chance".

Even Crosland admitted, however, that future reformers would have to deal with issues which cannot be easily classified as socialist or non-socialist. They included civil liberties, personal freedom and leisure, and he might have added, the environment. The re-emergence of the women's movement in the 1960s, for example, was not a specifically left-wing phenomenon; there is no reason why a militant feminist should not be a Tory voter. And what shocked the establishment about the events in Paris in 1968 was the apparent disregard among the students for political parties of any kind. There was an assertion of individualism.

Yet one fact remains clear. If a socialist party is to be elected, it needs the support of more than the working class. That was shown by the British Labour party in 1945. It was the lesson learned by the West German Social Democrats and is currently being followed by Tony Blair. Still, never overlook the other side of the coin. The parties which most obviously represent capitalism are also capable of learning. Socialism may have been a civilising influence, but who is to say that Conservatives and Christian Democrats have not had an influence on socialism? Political parties learn from each other and adapt to "events".

ONE HUNDRED YEARS OF SOCIALISM: THE WEST EUROPEAN LEFT IN THE TWENTIETH CENTURY by Donald Sassoon I.B. Tauris £35, 965 pages

The harlots of fleet street

J.D.F. Jones warms to the tabloid press

Lord Beaverbrook in 1922 suggested that "A newspaper is like a young and beautiful girl". Stanley Baldwin changed the metaphor nine years later in the best-remembered quotation of his career – "Power without responsibility, the prerogative of the harlot throughout the ages." The prime minister's words were not reported in Beaverbrook's Daily Express.

Matthew Engel, a Guardian writer and also editor of Wisden, has produced in *Tickle the Public* a splendidly readable and witty history of the harlots of Fleet Street over the past century, taking May 4 1896 as "the real beginning of British popular journalism" – the date of the first edition of the Daily Mail. His thesis is that Britain's successful national newspapers are run by proprietors and editors who understand the taste of the generation and are then invariably overtaken by "newer, brasher, less inhibited competitors." It is like a biblical list of begettings. Thus the Times was superseded by the Telegraph, which was superseded by the Express, which was superseded by the Mirror, which was superseded by the Sun. There was every reason to suppose that the Sun would one day suffer the same fate.

Engel therefore has plenty of fun leading us from the Harmsworths (Alfred and brother Harold) of the Mail, past the Express and the Mirror, which were dominant for 25 years after the last war, and through to Rupert Murdoch's self-described "sex, sport and contests" of the Sun. "When Rupert Murdoch entered Fleet Street, it was as if a gunslinger had smashed open the swing doors of a Dodge City saloon and found himself staring into the snug bar of an English country pub. Everyone looked up briefly, then tried to go back to their pints."

There is plenty of indignation behind Engel's wit. Beaverbrook's operation, which emerged to success in the 1890s, is declared to have been less than honest. The Mirror, which topped the circulation in 1964 ("The Mirror is a sensational news-

paper. We make no apology for that. We believe in the sensational presentation of news and views...") – a paper for which many journalists even today have a nostalgic affection and respect – went disastrously up-market in the late 1960s, with the result that the Andy Capp reader departed to the Sun. Murdoch has a vacuum and a moral void at the heart of his empire because he believes in nothing and allowed his notorious editor Kelvin MacKenzie to cross a dangerous frontier – not just to distort the facts but to change them. (MacKenzie is nevertheless described as a genius).

Engel starts with a long section

TICKLE THE PUBLIC by Matthew Engel Gillnet £20, 352 pages

THE GREAT OUTSIDERS by S.J. Taylor Weidenfeld & Nicolson £20, 377 pages

on the Harmsworth brothers and seems to find the shy money man Harold as intriguing as the more celebrated Alfred who by 1914 owned the Mail, the Mirror, the Times and the Observer as well as many other titles.

The curiosity value of Harold also emerges in S.J. Taylor's *The Great Outsiders*, a rather more respectful centennial history of the Daily Mail. The story of Alfred and Harold – who became Lords Northcliffe and Rothermere respectively – has been worked over many times, and it is hard to see much point in another version except to celebrate the birthday. Taylor devotes the lion's share of her space to Northcliffe, not surprisingly since Rothermere has always been seen as the uniformed plodder. For those who do not know it, the tale is extraordinary. Alfred was, in Taylor's words, "a jumped-up, ill-educated opportunist who had made his start on a bicycling magazine published in Coventry..."

That led to the phenomenal suc-

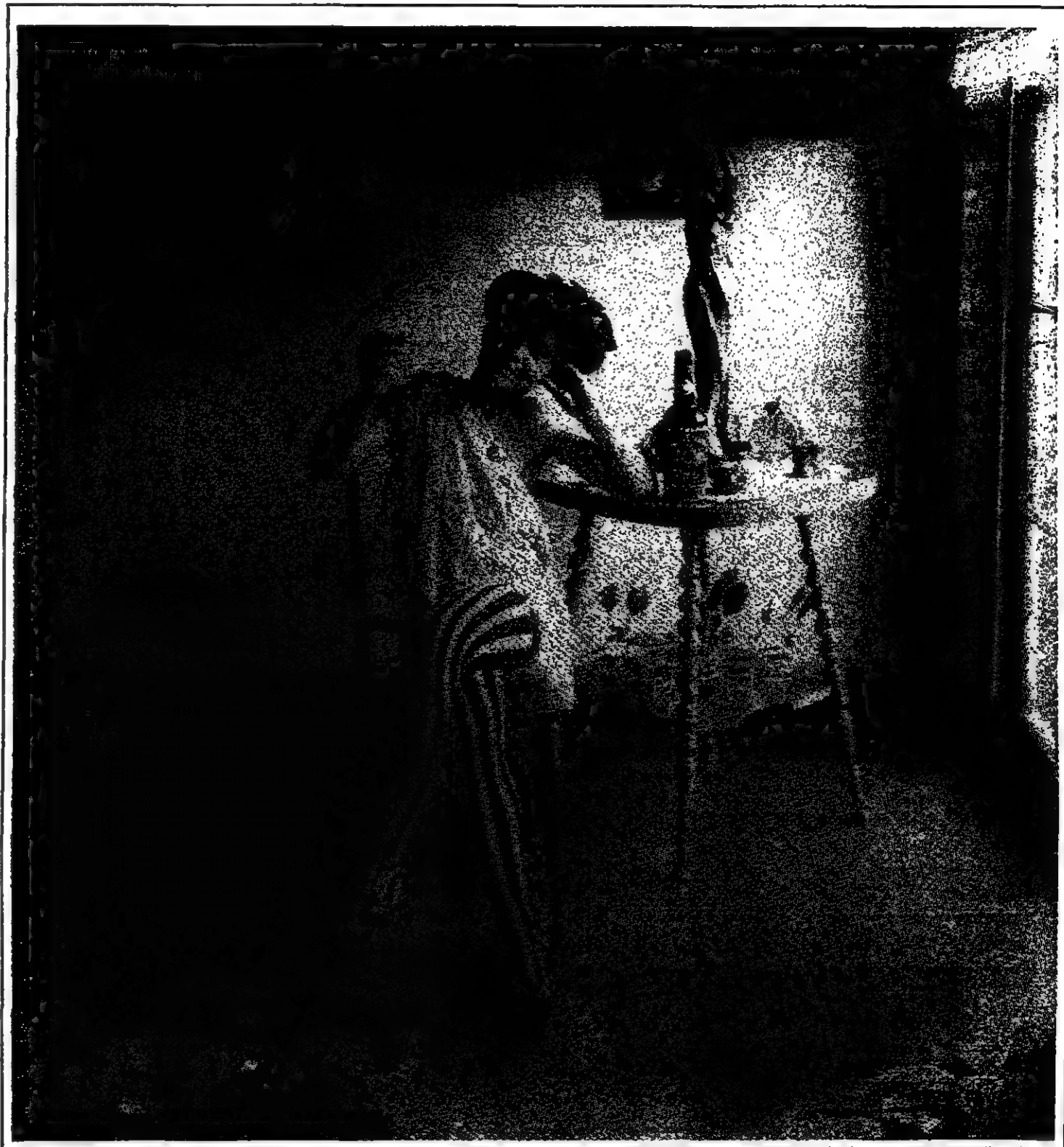
cess in the 1890s of "Answers to Correspondents", "Comic Crits" and then to the Evening News and the Mail; he invented the word "tabloid", he was the youngest created peer of the realm, he became a megalomaniac, then literally mad, and died young in 1922, not of syphilis, as is frequently said, but, argues Taylor, of malignant endocarditis. He was a colossal character: when he decided to take up golf, he stood at the tee for eight hours "and made 284 consecutive drives until, collapsing from exhaustion, he was led from the course and to his bed to recover..."

The delicate part of a book like this is to tackle not so much Northcliffe's monstrous side as Rothermere's fascist leanings in the inter-war years.

Harold had lost his brother and, in the war, two sons; his domestic life was not happy; he was nomadic and profoundly pessimistic; he was a friend of Beaverbrook and together they made mischief with the United Empire Party, which even Taylor says was "jolly".

She has earlier described the Mail's exploitation of the forged Zinoviev Letter in the 1924 election as "masterly". She later argues that "he might be wrong, but he was honestly wrong; there was no trace of corruption about him." Yet Rothermere did much more than flirt with Mosley, Mussolini and Hitler. "If choice must be made, any well-informed individual might have favoured the rising powers in Italy and Germany," writes Taylor, and I do not know whether she is being ironic. After Munich, Rothermere sent Hitler a telegram: "My dear Führer, everyone in England is profoundly moved by the bloodless solution of the Czechoslovakian problem..."

Taylor's conclusion to what now emerges as corporate history is: "His open and ingenious dealings with Hitler were part and parcel of the quality of his character..." Rothermere, we are told, should have used a spoon with a longer handle. Matthew Engel would put it rather differently.



Grace under pressure: portrait of a prostitute in a New Orleans brothel, c.1912, taken by the enigmatic photographer E.J. Bellocq, who frequented the Storyville red light district. Reproduced in "Bellocq" (Jonathan Cape £20, 63 pages). Susan Sontag, in an introduction, acknowledges that some portraits – mysteriously defaced – are disturbing. Others convey "the beauty and forthright presence of the women, photographed in homely circumstances that affirm both sensuality and domestic ease"

Rereadings/Max Wilkinson Spook messages

During his last illness, my grandfather gave me a battered red book, which he obviously thought was a minor classic. After re-reading it over many years, I think so too and am surprised that modern publishers do not agree.

The *Road to Rindor* by a first world war lieutenant, called E.H. Jones, must be one of the strangest mixtures of adventure and proselytising ever written. It starts in a Turkish prisoner of war camp in 1918 where Jones and a few other officers decided to pass the weary hours with some rather lighthearted experiments in the occult.

Two men sat opposite each other, around a "Oija board", touching an upturned glass on a tin tray which would spell out messages from spirits of the dead. But soon the joke became deadly serious. Unknown to his companion, Jones secretly guided the glass to spell out pretend messages from a spook; and before long most of the camp believed that the messages were genuinely coming from the other side.

This view was reinforced when Jones demonstrated extraordinary telepathic powers with a fellow prisoner, E.H. Hill. Scorpions were finally silenced when the spirit revealed war news that the mediums could not possibly have known and uncovered the secret pasts of brother officers.

Then in a final test, the mediums were blindfolded and given a new board in which



the letters were scrambled according to a code kept in another room. As expected, the spirit messages became completely garbled, but when translated according to the code, they made perfect sense.

The explanation of how the "mediums" accomplished these feats, and the complex code developed for their "telepathy" demonstration, is as lively as the best detective story.

And all this was only the beginning of a daring escape plan. Jones and Hill feigned madness, supposedly to find treasure for the Turks, but really to escape to England. Later, their spooking provided evidence for the camp commandant to be court-martialed.

The story of this magnificent deception is told with humour and much piquant detail, including verbatim reports of the spook's utterances. Discovery would probably have

meant death, but Jones, who was trained as a psychologist, had a brilliant and versatile mind, while Hill, unknown to most of the camp, was a first-rate conjurer.

The book was an immediate success when it was published by The Bodley Head in 1919. It went through five editions the next year and 15 during the following decade. It was reprinted in the Bodley Head Weekend Library in 1939, but thereafter faded from view. It was published by Pan Books in 1974, but is long out of print.

This is surprising, because in addition to the high psychological drama, and some fascinating descriptions of prison camp life, the book has a deeper purpose, which was doubtless why my grandfather gave it to me.

Jones pours contempt, not only on his glib captors (and more gently on his fellow officers) but on all "true believers" in the paranormal. His book is a thundering riposte to all the sloppy research and pseudo-science which encouraged such credulity – such as the experiments described by Sir Oliver Lodge in his book, *Raymond*, which was widely influential at that time.

Jones's own performance was so clever that only a genius would have seen through it. And no reader will ever afterwards give a minute's credence to nonsense from the ether world.

Perhaps this is why the book is less popular than it deserves to be.

Book fads come and go. I have been waiting some years now for a travel literature, set rolling in the early 1970s by the likes of Paul Theroux, Eric Newby, Colin Thubron and Jan Morris, to come crashing down. But no.

We live, though, in anguished times. The collapse of the cold-war balance of power, the onset of the new world disorder, has affected everything from economy to spiritual well-being – all around we are a more contentious, insecure and self-searching planet than we were just a quarter of a century ago. Today's travel writing reflects our new fragility. So, at least, I must conclude after reading a clutch of recent travel books.

Nominally, these are books about travel around the Middle East, the Australian desert, Vietnam and Cape Horn. In reality they are, in a greater or lesser degree, explorations of self. The final destination is not a physical place, but understanding – of personal emotions, of personal existence. The sheer sense of wonder and discovery that fired earlier travel writers seems to have given way to a new mobile introspection.

John Hockenberry's *Declarations of Independence – War Zones and Wheelchairs*, may not be typical of the shift, for its author is a paraplegic American radio journalist who covers hot spots from Israel to Iran from a wheelchair. He rolls about the streets of Gaza under curfew; is pushed through hostile crowds at Ayatollah Khomeini's funeral; accompanies Kurdish refugees over deep rivers and high mountains. With no self-pity, Hockenberry draws a picture of a man of tremendous resource and courage.

Introspective travel

Nicholas Woodsworth uncovers a new trend

He also draws a portrait of a man struggling to come to terms with the life-long aftermath of a teenage car accident. Apart from detailed descriptions of his physical condition and the mysteries of what he calls "crip sex", there are discursive passages, entire chapters devoted to the psychological difficulties and transformations of a man determined not to be defeated.

The book may fail to strike a sympathetic chord in British readers. Hockenberry spends much time over that obsessive, peculiarly American social issue, the "victimisation" of minority groups. More foreign still, *Declarations of Independence* carries whiffs of Oprah Winfrey, of the desire to expunge private pain by working it out in public. For British readers squeamish about soul-bearing and enthusiastic displays of deep psychological wounds, Hockenberry may have strayed too far into unfamiliar territory.

As Monica Furlong recounts in *Flight of the Kingfisher – a Journey Among the Kukutja Aborigines*, her tragedy is not a personal one like Hockenberry's, but involves our entire western society. We have, she tells us, lost our belief in the sacredness of the natural world, and a sense of its meaning. In rejecting materialist western values, she seeks among the Aborigines a corrective to her sense of loss.

Fair enough; none of us are overjoyed at the state of the modern world. But Furlong, of strong spiritual bent, seems to ignore her own self-criticism. She has spent too much time

DECLARATIONS OF INDEPENDENCE by John Hockenberry Viking £16, 371 pages

FLIGHT OF THE KINGFISHER by Monica Furlong HarperCollins £16.99, 178 pages

THREE MOONS IN VIETNAM by Maria Coffey Little, Brown £18.99, 291 pages

MY OLD MAN AND THE SEA by David and Daniel Hays Headline £14.99, 230 pages

with books and ideas, she says, and not enough simply "sitting still", as the Aborigines do, without guilt or anxiety. Much of her attitude is informed, nonetheless, by sitting and observing, but by historical European acts and attitudes towards Aborigines and her sense of guilt over them.

Furlong's concentration on Aboriginal spirituality results in weak physical descriptions of an imposing people and a magnificent land. It also leads to preposterous statements denying enormous cultural differences. "If an Aboriginal man says that a particular tract of land is his mother, he does not mean that it is like his mother. It is our failure not to know what he describes", complains the writer. After finishing the book, I felt I knew more about

Monica Furlong than I did about Aborigines.

"Where is the internal tension, the groping towards identity?", I wondered as I read *Three Moons in Vietnam – A Haphazard Journey by Boat and Bicycle*. Of the four books, Maria Coffey's account of a two-month trip along the Vietnamese coast is the one least concerned with the mapping out of a personal interior.

Maria Coffey and her husband undertake the kind of trip one is happier to read about than to take. Apart from suspicious policemen and nervous locals, there are a host of non-human challenges – humidity, heat, rain, mosquitoes, stomach parasites, hotels that double as brothels, hilly countryside, and two unreliable bicycles.

Maria Coffey has a good eye, a real fondness for the country, and describes it well. Only here and there, in the attachments she makes with young children, are there hints that even hardy adventures have unsatisfied inner longings. Coffey is 42 years old and child-

less. After many difficult miles, the book concludes with the couple deeply involved in the emotional lives and welfare of two Vietnamese children.

It is *My Old Man and the Sea* that best accomplishes the tricky venture of combining inner discovery with travel. David and Daniel Hays are a father-and-son crew who leave New England in a 25ft boat they build themselves, sail 17,000 miles around Cape Horn, and return home. In doing so, they discover each other.

David is a reflective, emotional, expressive man with most of his life behind him. Daniel is energetic, humorous and, at 24, not sure what he wants out of life. The day-by-day journal which they alternately keep is in large part a record of their not always easy relationship, in turn funny, moving, exasperated and loving. What makes it work is the bond they share apart from blood – the sea.

For this is also a story of great adventure and daring. Their thoughts, however personal, are always tempered by immediate considerations – tides, waves, storms, winds and rain. Like the best travel writers of any generation, they take as their point of departure the true subject of travel, the real world around them.

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ARTS / COLLECTING



Strong and challenging: 'The Bathers' by Degas, part of Degas: Beyond Impressionism at the National Gallery

Innovative Degas comes alive

William Packer relishes the energy and experience of a marvellous new exhibition

W e worry sometimes that great exhibitions pass through Europe and the US but do not come to Britain. But if the latest treat at the National Gallery is a fair indication, we need not be too pessimistic. This choice show from the later drawings, paintings and sculpture of Degas is as beautiful and remarkable as any I could wish to see.

Although Degas is forever cast as just another Impressionist, we find him in his later years, no less than Cézanne, to be as radical and bold a formal innovator as any of his near-contemporaries, from Manet to Matisse.

In the mid-1880s and turning 50, Degas was moving ever further from the cooler academic description in which he was schooled towards a graphic method that was more open, direct and personally expressive. That is not to say that his drawing – and in so many of these large pastels and canvases, the distinction between drawing

and painting becomes ever more difficult to register – is any the less accurate or disciplined, but only that he was now directing it to different ends.

For what seems more and more to concern Degas is not so much appearances, but the living, physical presence of his models: an appearance to be experienced, not merely seen. They wash and dry themselves, comb their hair, try on a hat. The dancers wait in the wings, flexing themselves in that state of tense relaxation, like the horses and jockeys he would watch down at the start. With Degas it is always the moment of expectation, preparation or casual self-regard that engages him.

While the cooking of an elbow, the turn of a wrist or ankle, the pull of the comb through the hair, are perfectly suggested, the actual statement is swift and economical, the formal mass often blurred and approximate, the contours of back or leg rubbed out, overlaid and redrawn. Here is no longer the concern of the Salon artist for the fin-

ish of the work, but a private, immediate concern for the line itself, as he tries to register and fix the ever-moving, breathing form, the bend and pull of arms and shoulders, as the model leans and twists above her bath.

His habit was, to draw on semi-opaque tracing-paper, and with so many of these subject groups now brought together it is endlessly fascinating to follow him through his compositional experiments and changes of mind, wrestling with a particular image or idea through a series of closely related poses of the figure. These he would then redraw repeatedly, retracting and perhaps reversing them for use in other combinations without further reference to the model, putting particular figures together, moving them around only to take them out again.

This graphic activity is complemented throughout the entire period by his work as a sculptor, modelling his figures in wax on a small scale to serve his immediate working interest, only much later to be cast in bronze. Drawing and

maquette often take the same pose – the arabesque, the dancer stepping forward with her arms raised, the heavier, seated model half turning to dry her flank. The dating is in consequence extremely uncertain, often no more precise than a 10 year span, which leaves open the questions of whether clearly related drawings and sculpture were done together or after a long interval – and which might have been used as reference for which.

My own feeling is that the pastels and paintings were usually worked up later, and the maquettes, like the charcoal drawings, were modelled direct from life. By their very liveliness of inflection in the pose and subtlety of detail they could hardly have been made up, and they confound the common art-historical supposition that, with his failing sight, Degas came more and more to work by touch alone. Their modelling, simple as it so often is, is too sure and knowing in its control, too close to an observed reality, for that.

But his sight did at last deteriorate, and his health fail, in the last 10 years or so before his death in 1917. So, by degrees, he ceased to work. What we are shown so clearly is that up to the point of that last decline, here was one of the greatest of artists, rather like the ageing Rembrandt and old Titian, producing work that was as strong and challenging as anything he had ever done.

One final note. The concurrent pendant exhibition at the National Gallery, 'Degas as a Collector', sponsored by GlaxoWellcome, of work by other artists that he once owned, is to be recommended. And in my review of the gallery's display of Francis Bacon's Popes, along with the great Velázquez portrait of Innocent X from the Doria Pamphili Collection at Rome, I failed to mention that it was sponsored by Global Asset Management.

Degas – Beyond Impressionism: The National Gallery, Trafalgar Square WC2, until August 26; sponsored by Evans. SBC Warburg and The Times.

Television / Christopher Dunkley

Viewing evolution

Something odd is happening to British viewing habits, judging by the television ratings. Not so long ago the director-general of the BBC, John Birt, was warning that, thanks to the rapid increase in the number of services, the BBC's audience share was inevitably going to fall.

Presumably he was trying to prepare everyone, particularly politicians, for a time when viewers would have to pay their licence fees for a BBC service which attracted as little as a third or less of the audience.

It seemed a peculiarly cack-handed bit of public relations since, naturally, it depressed the staff of the BBC and clearly ran the risk of becoming self-fulfilling. Why strive for anything more than a 33 per cent share after a prediction like that from the DG himself?

And yet a study of the weekly figures published by Barb (the Broadcasters' Audience Research Board, formed jointly by the BBC and ITV) shows that, far from falling, the BBC's share has recently been rising. For years the only times when the BBC has regularly taken a larger audience share than ITV have been at Christmas and during Wimbledon and the World Snooker Championships.

During the other 47 or 48 weeks, terrestrial commercial television – ITV and Channel 4 – has consistently beaten BBC1 and BBC2, sometimes by a considerable margin.

In the first week of October 1994, for example, the commercial share was 53.1 per cent and the BBC's 39.8 per cent. As recently as June 1995 the split was 51.5 to 39.9 in ITV's favour. But the five most recent sets of figures (up to the week ending May 12) show the BBC matching or beating commercial television every week. The latest split is 47 to 43.5 in the BBC's favour.

This has not been achieved with hours of snooker or any other abnormal programme schedules. The pollsters no longer produce a "Top Ten" but you can create your own from the top 30 programmes listed for each channel, and in the week ending 12 May the result (disregarding the effect of repeats) is this:

1. Coronation Street (Wed) ITV - 15.01m
2. Coronation Street (Fri) ITV - 15.92m
3. EastEnders (Thurs) BBC1 - 14.74m
4. EastEnders (Tues) BBC1 - 14.32m
5. Coronation Street (Mon) ITV - 13.78m
6. EastEnders (Mon) BBC1 - 13.67m
7. FA Cup Final BBC1 - 13.55m
8. The Liver Birds BBC1 - 13.05m
9. Emmerdale (Thurs) ITV - 11.94m
10. Emmerdale (Tues) ITV - 11.89m

The tedious dominance of the soap operas is the main reason why the Top 10 is of so little interest. Slots 11 to 20 are often more interesting, containing, in the week in question, three episodes of *The Bill* and one each of *The Knack* and *Sharpe* plus *Stars in Their Eyes* from ITV; and, from BBC1, *Grandstand*, *The National Lottery*, *No*

Bananas and *Airport* which comes in at No 20 with 9.57m, a remarkably high entry for a documentary, although deserved since it is a highly entertaining series.

It looks as though the BBC's success seems more from what is not happening elsewhere than from any dramatic advances in its own networks.

The depreciation predicted by Birt was supposed to come in the first instance from the new satellite and cable services. Sure enough, they have taken a share of the viewing from the traditional transmitter-based broadcasters – but not a dramatic one.

In 1991, it was about 4 per cent and since then the figure has risen by about 1 per cent each year so that it now stands at around 10 per cent. In the week under review it was 9.6 per cent, and that, of course, is the figure for all the scores of satellite and cable channels added together.

So the 50 or so channels which so

This has not been achieved with hours of snooker or any other abnormal programme schedules

far constitute the new technology are managing to attract between them rather less than a third as much viewing as BBC1 on its own or ITV on its own.

These two leading terrestrial channels each claimed 33.6 per cent of viewing in that week. But is the average weekly viewing per head of the population falling, as gleeful press reports frequently claim? If that were so then, even if the BBC's share were bigger than before, we should still be paying more per programme.

However, the figures suggest an almost unwavering consistency over the past 10 years. During the second week in May this year the figure was 24 hours 8 minutes. Last year it was 21.06, and figures for the previous eight years were: 24.09, 24.06, 26.42, 24.10, 23.16, 22.20, 23.96 and 22.54. Scarcely what you would call a dramatic change.

The population figure is static. The number of hours viewed is static. But the number of channels keeps on going up. Channel 5 is due to open in seven months, digital channels are promised remarkably soon from satellite, and not long after from terrestrial broadcasters.

If they are to get any viewing at all then somebody else's figures must fall, which was, obviously, Birt's thinking in the first place. But so far the rate of change looks more like evolution than revolution.

Make way for summer's Orient express

No summer season in London passes without a spectacular run of commercial Oriental art shows. Eshenazi presents its 48th, this time focusing on surface embellishment and sculptural form in early Chinese art (10 Clifford Street, W1, June 11-July 13).

Rarities abound. Among them is an unusually large

Han period bronze mirror decorated with bands of vermillion and green and lively scenes of figures in charging chariots hunting boar, and the calmer pursuit of playing a board game. Its decoration is the closest one will get to 1st century Chinese painting.

Remarkable, too, is a Han bronze oil lamp in the form of a kneeling slave holding a lamp aloft. The slave's tunic is worn over only one arm so that the empty sleeve falls to the ground and ingeniously

provides an essential third support.

What singles this piece out, however, is its naturalism, something neither prized nor usually practised by the Chinese. Physiognomy and musculature are detailed to the point of folds in the nape of the neck.

Also from the Han period is a meagrier: a snarling gilt-bronze bear studded with cabochons of agate, turquoise and crystal, its razor-sharp teeth and claws silvered; benignly smiling leopard scroll weights are lavishly inlaid with scrolls of silver and double circles of gold. The Tang earthenware entertainers clearly sport false beards. Prices £15,000 to £800,000.

S. Marchant & Sons mark the renovation of their premises at 120 Kensington High Street, W8, with a show of

18th century Chinese Imperial wares, the house speciality: "Imperial Porcelain of Kangxi, Yongzheng and Qianlong" (June 9-25). Most of the types produced for the emperor are represented – monochromes,

The great curiosity is an imaginative depiction of Julius Caesar

two-coloured wares, blue and white and copper-red, *famé* and *doucai* wares – but the show has been limited to 50 choice examples.

Another gallery re-opening is celebrated by Japanese art

dealer Barry Davies, at 1 Davies Street, W1. By acquiring neighbouring premises, the two-floor gallery has tripled its size. Ironically, the space is inaugurated by a show illustrating the development of netsuke (June 15-July 31). About 200 pieces dating from the 18th and 19th centuries come from a private German collection, the great curiosity an imaginative depiction of Julius Caesar. Contemporary netsuke are drawn from the US.

Large-scale Meiji bronzes dominate Spink's annual show of Far Eastern art, June 6-26. A pair of life-size and intricately cast figures represent Futen, god of the winds, playing a flute and Raiden, god of thunder, banging a drum.

At Jehanne de Bidley (29 Conduit Street, W1, until June

28) the emphasis is on Qing dynasty Guan wares – 18th and 19th century celadon crackle-glaze porcelain. Prices £200 to £8,000. Robert Hall presents a group of Qing porcelain snuff bottles at 15c Clifford Street, W1, June 10-28.

Robert Kleiner, at 30 Old Bond Street, offers Chinese snuff-bottles and related works of art from private collections, June 18-30.

A characteristically wide

range of exhibits is on display at The Oriental Art Gallery, 4 Davies Street, June 10-30. Michael Goethuis branches out with his first exhibition of contemporary Chinese art, showing the work of 13 painters and sculptors working in mainland China, the US and Europe. Whether representing the traditional or the avant-garde, all respond to the tremendous impact of western art on modern China – 116 Mount Street, W1, June 19-July 31.

Susan Moore

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ARTS

Sad tale of radical revisions

Clement Crisp finds 'Coppélia' has lost its magic at the Paris Opéra

Coppélia is one of French ballet's treasures, a masterpiece of light comedy buoyed up on Delibes' sunlit and bewitching score. At its creation in 1870, Gaudier hailed its "comic grace", and it is, in action as in melody, unfailingly graceful and light-spirited. At its heart are two dramatic ideas: Swanilda must win her beloved Frantz's heart and show him the nature of love, while the alchemist Coppélius dreams of infusing life into his automata. These are owed, remotely enough, to a far more macabre tale by E.T.A. Hoffmann, which was sweetened and simplified for Delibes and Arthur St Léon, the choreographer, by Charles Nodding, the librettist.

The result, as we know, is an acutely judged comic masterpiece that conceals its more serious elements under a sunny surface of peasant joy, wit and winning good humour. At the Paris Opéra, where it was created on the eve of the Franco-Prussian war, Coppélia has had a chequered existence, having been neglected, revived, restored, re-thought during the passing century. The version made for the ballet in Imperial Russia by the varied but loving hands is the one we know and love best.

Now a new reading has been mounted by Patrice Barte, the Opéra's chief ballet-master. It is a radical revision of text and score which aims to reassert the sombre qualities of the original Hoffmann tale. *Der Sandmann*. The score has been pulled about, with numbers replaced or excised and dances from Delibes' operas interpolated, and the story wholly altered. Sad to say, these changes have made Coppélia more unlikely than its first version, and rather boring, but no more serious.

Some widower who falls in love with Swanilda, a dancer of Degas time, seeing in her an image of his own late wife who was a ballerina. His evil genius, Spalanzani, lures Swanilda to Coppélius' laboratory (filled for no good reason with automata) for nuclear but doubtless unpleasant reasons, whence she is rescued by her beloved, Frantz, who has become a student of natural sciences. As the second of this staging's two acts ends, we see Swanilda and Frantz reunited in a duet, yet haunted by the memory of Coppélius.

I can find no reason to hail this production as a valid view of an old and honoured work of art. Roland Petit made a delightful and credible updating for his Marseille company some years ago, but his changes sat happily on the score, which he very properly respected.

Barte's concept typifies the current passion for supposedly "deepening" the classics by exposing or imposing themes: *Giselle* as a study in madness; *Swan Lake* as an exercise in Freudian analysis of its hero. This Coppélia substitutes serious drama for the original's clear and by no means inconsiderable tale, and, unforgivably, plays merry hell with a musical jewel, recasting it so that its sparkle is lost and its shape deformed.

What merits the production shows have to do with the sparkling opportunities offered its cast, and Barte's delight in his company's skills. Dances are brilliant, and brilliantly done: there is a Nureyev-like determination that step shall crowd on step, and dazzle the eye as they dance the dancers' feet. And they do. The cast I

saw this week was headed by Fanny Gaida as a worldly Swanilda - a bit short on charm, I found - and Manuel Legris, who can do no wrong, as Frantz.

His physical resource (soaring, showering the stage with technical sparks) is matched by an easy liveliness of temperament. His four friends, gifted as he, have a mirror in Swanilda's eight companions, who are as fetching as they are bright in manner. (The Opéra produces cohorts of such splendid dancers every season: schooling tells) Coppé-

Coppélia is on view on June 1, 8, 7, 10, 13, 14 and July 15, 16, 17, 18, 19, 20 at the Palais Garnier.

A successful festival is more than the sum of its parts; and this is true of the still young BOC Covent Garden Festival.

Covent Garden is, heaven knows, one of the busiest parts of London, and yet each year it really is somewhat transformed by song.

Vennes most of us never enter become the setting for operas, musicals, recitals, masterclasses: some cafés and restaurants become flooded by live arias; and many working Londoners, who they could take the time just to seek it all up for the two packed weeks in which it occurs.

The direction in which the BOC festival has developed most markedly this year is the musical. The Freemasons Hall, memorably the setting last year for the festival's production of *The King and I* with Irene Mkhamedov, will house *Camelot* next week. And the Ambassadors Theatre, usually occupied by longer-running plays, this year is the home for a two-week production of an utterly delicious production of *Dames at Sea*.

A large part of the production's appeal in advance is that it features the lustrous American star Kim Criswell, who five years back sang so well the leading role of the West End production of that great musical, *Mamma Mia!* In the event, part of the fun - part of the joke - of this production is the extent to which Criswell mucks in as part of a very fine ensemble.

Dames at Sea is, in certain senses of the word, thoroughly camp: i.e. it mocks what it adores at one and the same time. It is an old-style musical (actually written in the late 1960s, though this is hard to ascertain from the programme note which is regrettably short of factual information) that laughs at 1930s-type musicals even while it palpably celebrates them.

Ruby steps off the bus from Utah, nearly loses the suitcase containing her ruby slip shoes, lands a shorty job in a Broadway musical, falls in love with the sailor and budding songwriter Dick ("Where are you from?" he asks her. "Utah." "You too!"), somehow transfers with the entire cast to Dick's ship when the show's Broadway theatre is demolished, nearly loses both Dick to the show's star Mona and her job too, but - when Mona collapses in mid-show from seasickness - finds herself going on in Mona's role and becoming an instant star, all in one day. Only *Dames at Sea*, which lasts less than two hours with interval, has much more plot than that little précis.

The book and lyrics for this daff, naughty, happy musical are by George Haimsohn and



Utterly delicious experience: John Peterson and Sara Crowe in 'Dames at Sea'

Drowned in pleasure

Alastair Macaulay on a new production of 'Dames at Sea'

Robin Miller, and the music is by Jim Wise. The score is ideal pastiche: Wise not only captures the period to perfection, but he also shows us his sources as he goes along.

Though "That Mister Man of Mine" is a hit number in its own right, part of its fun is the way it uses the same four-note premise as George Gershwin's "The Man I Love". (Another part is its words, ending up with "I can't live on kisses/So I'll never be Missus To that Mister Man of Mine".)

And he and his colleagues can laugh more forcefully at the kind of trite waltz song that was already dated in the 1930s, as in the hilarious "Echo Waltz" ("though critics may

say/That to away/Is pass...") John Gardyne's production is full to the brim with pleasures major and minor. A very great plus is the degree to which Lindsay Dolan, the choreographer, has all six members of the hard-working cast dancing with terrific flair in a variety of styles.

Two of them, Joanne Farrell as Ruby and Jason Gardiner as Dick, are obviously accomplished hoofers as well as more than decent singers. But the most winning dancing of the show occurs in a handful of ordinary steps irresistibly delivered by John Peterson (a wonderful performer all round) as Lucky.

The wittiest dancing of all

comes from Kim Criswell in her ultra-Latino duet, "The Beguine", with Peter Duncan as Hennessey, with its blissfully and absurdly sexy little rumba-type changes of direction and tango-type twists of the head. (At this point - don't ask why - Mona/Criswell has reverted to a Hispanic previous persona. Consuelo, seducing Duncan who is, in the captain of the ship which she wants to use as the stage for the show.)

Other pleasures include the minimal degree of amplification used; the stylish designs by James Heady and Alison Cartledge; and the marvellous security of Criswell's singing. The only problem is the silly strangled-frog voice with

which Sara Crowe - playing the tough broad Joan who knows that Mona was originally Grace Toppeloffsky - seems to think it necessary to act, here as in every other production in which she appears. (It's even worse when she sings.)

And yet even Crowe here, for the first time in my experience, is a winner. She has timing, she moves with wit, and she relishes the deadpan punch with which she puts across numerous lines. Ruby asks "Was that really Mona Kent?" "Yes," replies Joan. "Every bolt and rivet of her."

At the Ambassadors Theatre, WC2, until June 5.

Radio / Martin Hoyle

How the others see the English

Victorian Values (Industrial Relations Department) Award of the Week goes to one John Pearson of a firm called Chelfield (take note) which enjoys the privatised franchise for buffet trolleys on Regional Railways North-East.

To those employees unhappy at the abrupt cut in wages from £8 to £1 an hour, he writes: "My advice to you is clear: leave. You will not be missed."

In fairness, buffet stewards are meant to make it up in commission; 10 pence take-off per sandwich, hardly provides an enticing career prospect for the ambitious young, especially as work conditions exclude sick pay, holiday pay or talking to the media.

It is not as if there were that many chimney or mine they can send their children respectively up or down any more. Legal? You bet it is, the only possible cause for complaint being "insufficient consultation".

Tuesday's *You and Yours* came up with this piece of industrial archaeology positively thriving on our run to privatisation. This, along with *Pace the Facts*, *Analysis* and any number of conscience-tweaking, hard-nosed investigations, illustrates why the BBC's independence should be cherished more than ever.

The Law is an Aes Award (Pettifoggery Little-Elitist Provincial Bureaucracy Department): to East Devon County Council. According to Tuesday's P.M., they have ordered a woman to destroy the fruit of over a decade's labour in creating a pretty garden, complete with faunai pigeons, since the land concerned is designated as countryside.

She has been told to return it to the eyesore patch of bog that was there originally. No pressing environmental reason was given.

Of course, they are all English on that side of the Tamar, as the Cornish snoggy she reminds us in *A View from Abroad*. A woman from Pennsylvania, a teacher and poet who carries a Cornish pebble around with her, proved what the tourist industry terms "a pushover".

In a voice hushed with tremulous emotion (rather like Paul Gambaccini introducing Pach-

elbel's Canon) she rhapsodised about the timelessness of "this wonderful area" and wonderingly asked the locals why the Cornish language had been "shunted aside" (the fact that it was totally useless in the modern world appeared not to occur to anyone).

The Cornish welcomed her with the alacrity their forebears showed in huring ships on to the rocks and massacring the survivors, playing up their mysticism and lamenting that their legends are discounted because they fail to "fit in with archaeology" (i.e. are barefaced fiction).

An unconscious humour was added by the inclusion of these

They only have to switch on Radio 4 for an American accent or an American theme to assail their ears

Celtic romances being recounted by children in impeccably middle-class English, most of which bore little trace of Cornish.

Meanwhile, the locals did what the Cornish do best when a well-stowed vessel is sighted on the horizon and emphasised Cornish-American links. Why, some of them have been heard to use words like "sidewalk", cried one, misty-eyed at this hands-across-the-Atlantic *Bruderdorn* twist: Celt and New World, to the exclusion of the English.

Dear lord, where have these people been? They only have to switch on Radio 4 for an American accent or an American theme to assail their ears, from *Woman's Hour* (even in the Bank Holiday edition, devoted to a famous Liverpool woman MP, *Woman's Hour* has a unique idea of holiday fun) to *A Good Read* (the remorselessly would-be trendy Sarah Dunant has overcome her heavy breathing but not the glottal stops).

Foreign Bodies had its share of gleeful American voices (and one Antipodean, lamenting that it was harder to look

up dancer's skirts now that their stages were lower), incredulous at their sexual luck in Tokyo. Japanese women have apparently never been taught to say no. This exploration of the night-life/clubland area of the Japanese capital was saved from being thoroughly unsavoury by the women themselves: self-possessed, unembarrassed, clear-eyed, and certainly claiming their side of the bargain.

Breakaway broke new ground with its survey of gay Amsterdam, a curiously anti-septic piece given the purpose of the club and bar visited by its chirpy correspondent. A coy reference to a snogging couple by dawn's early light, then it was off to bed: "Alone - of course!" The item discreetly subsided between all possible stools.

The theme of seeing ourselves as others see us has been this week's theme. *Brussels Goes Bananas* comes into the category of *Lotta and the Englishmen*, heard a few weeks ago, which left me wondering: a foreign version of straightforward comedy reporting on the lines of *The Day Today* and other hoax-like send-ups of immortal memory.

This Belgian co-production was fronted by two alleged Euro-officials who sounded like a cross between the hosts of TV's *Eurotrash* and Peter Sellers' Inspector Clouseau.

A sort of "Candid Camera" of the microphones, the programme queried members of the British public on their linguistic abilities, driving on the right, swapping places with French counterparts for a few months (one London bar-broader sounded distinctly nervous).

Their search for typical Britons threw up a girl with green hair at a "legislate marijuana" demonstration and a Soho-ite complaining about the idiocy of the striptease regulations before they beat a baffled retreat.

An engaging item which reinforces the image of Magritte's underrated homeland as the most quietly witty country in the European Union; even though it may not inspire Pennsylvania poets to carry pebbles from Pepsinor or lumps of lead from Liege close to their hearts for evermore.

Hope and despair in no-man's land

Kieran Cooke on a powerful drama about Northern Ireland's Troubles

The outside world scratches its head and wonders about Northern Ireland. First, there are mind bogglingly complicated elections. Then talks, or talks about talks.

The pundits descend and try to explain what is, or is not, going on. It is an impossible task. Local radio, the province defies rational explanation. Learning about Northern Ireland and its problems requires an extended period of internment in the province - not just for a few months or years, but for generations.

Pentecost, a play by the Belfast writer Stewart Parker at present on tour with Dublin's Rough Magic company, is a short cut to a deeper understanding of that strange slice of land on the western fringes of Europe.

Pentecost is set in Belfast in

1974, in the darkest days of Northern Ireland's Troubles. The city is in chaos as thousands of loyalist workers mount a strike to bring down a power sharing executive, which, for the first time, contained members of the Catholic nationalist community.

Five people are trapped in a house on the firing line between the city's Protestant and Catholic working class ghettos. Each is trying to come to terms not only with the mayhem around them but also with the disarray in their own lives.

Miriam, a Catholic separated from her musician husband, moves into the house. She first has to confront the ghost of Lily, a sharp-tongued Protestant, and former owner of the house, who is enraged to find a "Fenian savage" making herself at home.

"You've been at your Mass again," says Lily. "I can smell it."

Miriam's former school friend Ruth, a Protestant battered by her policeman husband, moves in. So, too, do Miriam's estranged husband and his friend, returned from England in the midst of the chaos.

The dialogue sparkles with dour Belfast humour. The men

remember their time as idealistic students, trying to prevent the outbreak of the Troubles by typing hallucinogenic drugs into the Belfast reservoir, in the hope of rendering the city's population incapable of anything but dreaming.

One member of the household decides that weddings and funerals are very much the same in the province. "Only no one takes photos at funerals."

Each feels alienated from the outside world, which has passed Northern Ireland and its ancient problems by. The English, as clueless as ever about events in the province,

wait for reason and fair play to break out. Harold Wilson's speech at the time of the strikes is played. Who do these "spongers" think they are? asks Wilson.

"The smug wee English shite, with his sneaky voice," says Ruth.

Northern Ireland is subjected to merciless abuse. It is small-minded. It is "Lilliput", the "arschhole of hell". Yet at the same time the province and its problems serve as the glue which binds the household and all its differences together.

Miriam, as the central character of the play, is portrayed

with passion and verve by Eleanor McEvoy. Carol Scanlan captures the repression and bitterness of the ghost Lily, while Paul Hickey alternates between clown and philosopher as the returnee.

Pentecost is directed by Lynne Parker, the niece of Stewart Parker, the play's author. Lynne Parker is a veteran of several productions both in Ireland and Britain and is part of a group of young Irish directors establishing themselves as a force in mainstream theatre.

Stewart Parker, who died in 1983 while still in his 40s, was from Belfast's Protestant work-

ing class community. He felt that a sense of rejection and alienation were deeply embedded in the Northern Ireland psyche, particularly in his own community.

"Growing up in Belfast as a working class Protestant, I had access to all sorts but did not feel part of any of them," said Parker. "You're led to believe you're British yet the English don't recognise you as such. On the other hand, you're Irish because you're born in Ireland, but the people in the Free State don't recognise you as such. The working class element adds another dimension, because you are alienated from

the Unionist establishment. In a sense you inhabit no-man's land."

The house in *Pentecost* is a metaphor for that strange in-between world. Yet it is also a symbol of hope. It remains standing amidst the riots and army patrols. Somehow life goes on.

The household agrees that if God came down to Northern Ireland he would close every tavern and church in the province. In the place of religion would be a more pervasive spirituality in which people would have to learn to love themselves first, and then each other.

Pentecost is at the Royal Lyceum, Edinburgh, until today, the Belknap Arts Centre, Limerick, June 5-15, and Andrews Lane Theatre, Dublin, June 18-19.

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The Daily Telegraph CLASSIC FM

SPORT

Motor Racing

Full bore to grand prix excitement

John Griffiths is moved to agree with his mother – that the tedium has been driven out of formula one

Time was when a chap could safely watch the start and first few laps of a grand prix, snooze through the tedium of the mid-race procession, then wake to check out the final, predictable parade past the chequered flag.

That is not the jaundiced view of a veteran couch potato.

I have been bored stiff in Buenos Aires, soaked at Spa and once – memorably for a place which in spring and winter contrives to be the coldest place on earth – sun-dried at Silverstone while dancing attendance on Formula One.

Even Gerhard Berger acknowledged this month that the introduction of refuelling had been a good idea, in spite of its dangers, because TV audiences had become "understandably bored with watching endless processionary races with very little overtaking". And he drives the things.

But surely, after the events so far this season, not even the most casual viewer can profess to be bored? In fact, I know this for a

certainly. My mother, wholly unable to tell the back and of a Benetton from a baroque, rang after Monaco to say she had watched the whole race all the way through – as she did Germany's Nürburgring race and the preceding contest at Imola. Truly, grand prix must be on a roll.

But then, who among those who watched could ever forget the sights of Monte Carlo? World champion Michael Schumacher, who makes the average pontiff seem lacking when it comes to infallibility, ordinarily throwing his Ferrari into the wall just half a lap into the race – and after an inept start.

Furthermore, his blunders came after we had all been convinced, via

a stunning pole position practice lap half a second quicker than anyone else, that Ferrari was poised to take its first big step towards a drivers' world championship title – last secured by the Prancing Horse by Jody Scheckter in the 1970s.

And Damon – poor, poor Damon Hill. In past seasons, the Rothmans-Williams-Renault driver has too often been his own worst enemy, too sensitive to media criticism and, partly in consequence, quick in practice but erratic in traffic and excessively prone to overtaking errors. But this year, his newly grown thick skin shrugging off the media barbs, Hill has matured.

He came to Monaco with four wins from this season's preceding

five races and on the principality's winding, crowded streets drove a textbook race. He out-dragged Schumacher into the lead; inexorably opened out a gap of many seconds even over that acknowledged wet weather virtuoso, the volatile Frenchman Jean Alesi.

Only on a few occasions in recent seasons has a driver so clearly had a race in the bag. And on lap 41, his Renault engine had a rare but catastrophic failure, and probably the best chance the Englishman will ever have of victory in the race he has most wanted to win – which father Graham won five times – lay shattered among the engine bits.

Alesi, this year's *enfant terrible* *nonpareil* for his litany of collisions

and off-track excursions, should have inherited the win. Sixty laps in, only a dozen or so to go, yet he, too, was out – victim of a broken rear spring.

With Schumacher's defection to Ferrari, Benetton team boss Flavio Briatore is already finding life as an also-ran thoroughly discomfiting. Before Monaco, he had read the riot act to both Alesi and team-mate Berger and has made it known he is scouring the paddock for possible replacements. A win could have helped repair the breach. Instead, Briatore found himself with the unlikely consolation of the debut victory of the young Frenchman Olivier Panis in his Ligier – a team which Briatore also mostly owns.

The Monaco scenario – not least of only four cars surviving out of 21 starters – will not be repeated on the broader sweeps of Barcelona's Circuit de Catalunya in this weekend's Spanish grand prix. As team owner Frank Williams points out: "Monaco, in many respects, is a freak circuit and freak tracks are going to produce freak results."

But the ever-swelling ranks of F1-watchers, need have no fear of a relapse into tedium.

Schumacher, still kicking himself for his Monaco misdemeanours, is now confident that speed and reliability of the blood-red F310 are such that victories – possibly even a serious stab at dislodging championship leader Hill – are on the

cards this year. Hill, whose 21-point lead over team-mate Jacques Villeneuve and 27-point advantage over Schumacher were left unchanged by Monaco, once again set the fastest time in testing at Silverstone last week.

With six races gone and 10 to go, the prospect of the title grows ever stronger – and so does Hill's determination. A trouncing by Schumacher tomorrow could yet send the whole facade crumbling. But even F1 impresario Bernie Ecclestone, not exactly one of Hill's most ardent admirers, now admits the British driver is "doing an absolutely superb job".

Add to the plot the resurgent McLaren-Mercedes, following David Coulthard's second place at Villeneuve, the enigma presented by Villeneuve – so quick on his Formula One debut, not quite so impressive now – and the partly guided missile factor of Jean Alesi, and the scene is set for fireworks all over again. Keep watching, mother – the pointy end is at the front. Not that you could tell from Monaco...

Sporting Profile

Why the players are dancing to a different tune

Simon Hughes on David Lloyd, England's popular new coach

The Texaco one-day series, just completed, was a triumph of mind over matter. India had the best batsman

(Tendulkar) the best bowler (Kumble) and the best recent form. Since January, England had played nine, lost nine, against serious opposition. While India's World Cup squad was still more or less intact, England had dropped seven and some of the replacements were an unknown quantity.

Behind the scenes, the squabbling between the chairman of selectors and various disgruntled players was threatening to destroy what was already an unhappy marriage. Then in stride David Lloyd, former Test batsman, peripatetic coach and professional Lancastrian, a new director with the task of quickly assembling a cast in the rehearsal rooms.

Lloyd grabbed his clapperboard, and, breathing pride and ambition, focused on the mental side. The core of his approach was a series of motivational aids – videos of great sporting moments, recordings of Churchill speeches, slogans, catchwords – to nourish that elusive commodity, confidence.

He presented new prompts which he was sure would help each player to express himself better. The results exceeded expectations. No one forgot their lines, and all delivered them with a verve, even an enjoyment rarely seen on an England stage. Wearing the national costume actually meant something, rather than resembling just another outfit, and, in the end, England won the series comprehensively.

David Lloyd is a born enthusiast. He bubbles with energy in everything he does, be it coaching, after-dinner speaking or presenting TV programmes on growing your own fruit. He has a motor mouth uttering 200 words a minute in a rich, burbling and baffling Burnley-speak eagerly absorbed by fawning reporters. "Alistair Brown, openin' the innins, woon day internashional, own ground. Botted!... Then Ronnie got us goin'... played nicely. Ronnie... when 'e walked down

them steps you could tell: huke at me, it's me now, my turn. I'll 'ave a doo." Known universally as Bumble after a bouncy, children's cartoon character with a big nose, Lloyd is the England buzz.

A stylish left-hander, he progressed, after learning his cricket at Ayrtoning CC, to opening the innings for his county and, briefly, for his country, making 214 not out against India in 1974. He also captained Lancashire before another very different Lloyd – Clive – took over. The repertoire he developed during his playing days guaranteed a lucrative second career, and, when he retired, he was inundated with speaking invitations in an area of England where sporting dinners are as common as jumble sales.

The players respond to him initially because he is on their level, with their interests at heart

His abundance of anecdotes and quirky humour made him a popular, though only temporary, member of the first-class umpires' panel, and he won further exposure for his Test match commentaries on radio and television.

But while his mouth was behind the microphone, his heart always lay in the pavilion. He was loath to criticise players publicly; he had a son in the Lancashire team and hung about the Old Trafford dressing room like an adoring fan. It was only a matter of time before he progressed from working with junior teams to becoming the county coach. Lloyd made an immediate impact. He brought in eye specialists, psychologists and fitness experts, bought baseball mitts for everyone to encourage more stringent fielding work-outs and underpinned the quest for

individual improvement with an emphasis on the team ethic. "Teamwork is all," he says. "If you're under the coach and you've got two in and they're playing well and the ball's spitting and turning and grubbing, I think it's vitally important that they can look up to the balcony and see the team watching and enjoying it." For much of last season, Lancashire played vibrant cricket, winning the Benson and Hedges Cup and finishing in the top four in the Championship and Sunday League.

Lloyd has something in common with another intended saviour of English sporting pride – Glenn Hoddle. Both are influential artists with agile minds who cannot boast a league winner's medal as either player or manager. That won't deter Lloyd. He is as happy as a sandboy roaming around grounds, filming batsmen, discussing bowlers, canvassing opinions, telling stories. Virtually every sentence begins with "I remember when..."

He is a disciplinarian but treats cricketers as equals rather than subjects. Yet fun and enjoyment is top of Lloyd's bill. "Cricket is not funny, but you can enjoy it – must enjoy it," he says.

Nudging 50, he still embraces new concepts and demands. It was his idea to put together a sequence of each player hitting sixes or sending stumps flying set to their favourite music. So the England team emerges on to the field humming the sounds of M People's "Search for the Hero Inside Yourself" and Tina Turner's "Simply the Best". The players respond to him initially because he is on their level, with their interests at heart.

The selectors meet this weekend to pick the team for the first Test. There will be some banter between Lloyd and the England captain Mike Atherton – good friends for 12 years. But there is serious work to be done, and Lloyd knows that the extension of his six-month contract hinges on England's Test performances in the coming weeks. Released or retained, he will give the same answer he always gives to questions about cricket – "Glad to be part of it."



Football/Peter Aspden

Game of gloriously human imponderables

With the announcement of the squads for next week's European Championship, we can get down to serious scientific analysis to judge the prospects of the 16 nations taking part. Except it is not quite as easy as that.

Football is only partly about strategy, tactical acumen, refinement of technique. The rest is down to those gloriously human imponderables – strength of character and maturity of purpose. It was surely with these in mind that the country groaned to hear of the England squad's latest escapades on their flight back from the Asia.

You can talk all you like about systems and plans, but if the mental adaptability and sophistication is not there, you might as well be talking to monkeys. England's footballers, with some notable exceptions, have never distinguished themselves in this regard. It is

as if the rigidity of British playing styles is reflected in the thinking of those asked to execute them.

And yet to his credit, England's coach Terry Venables has done his best to introduce a more refined, modern dimension to England's style. His squad has a pleasingly flexible look to it. Venables rightly believes that there is not that much difference between playing as a twin centre back and as a defensive shield in midfield; hence the presence in the squad of Sol Campbell and Gareth Southgate, who may be asked to perform either function.

It might seem like a small step, but remembering the defensive chaos of England's abject World Cup qualifying defeat in Norway under Graham Taylor, it is remarkable.

Unfortunately for Venables, England's defence has not been tested for more than two years. But the ease with which Tony Adams was outstripped in the



ludicrous encounter with a Hong Kong XI composed of Sunday beer bellies and veterans was sobering.

This week will see Venables putting the final touches to the system he is widely expected to employ: a 3-1-4-1-1 formation which depends more than is desirable on the two Pauls, Ince and Gascoigne.

But once the first whistle of

Euro 96 gets things under way, tactics and systems take second place to the whims and caprices of players. International tournaments are traditionally dominated by the player who is most "up for it". Moments of brilliance can undermine the most meticulous planning. Think of Marco van Basten's searing volley in the 1988 European Championship final against the Soviet Union, which left the Soviet keeper Rinat Dasayev lurching drunkenly in disbelief.

Before that, Michel Platini's remarkable goals and all-round excellence in the 1984 tournament; Marian Masny's superb displays in the enthralling 1976 finals; Gunter Netzer's arrogant domination of the 1972 competition in Belgium. All were of proven pedigree at the start of their respective tournaments, and therefore marked men; yet they managed to lift their teams at the right time.

One can look closer to home to prove the same point. This

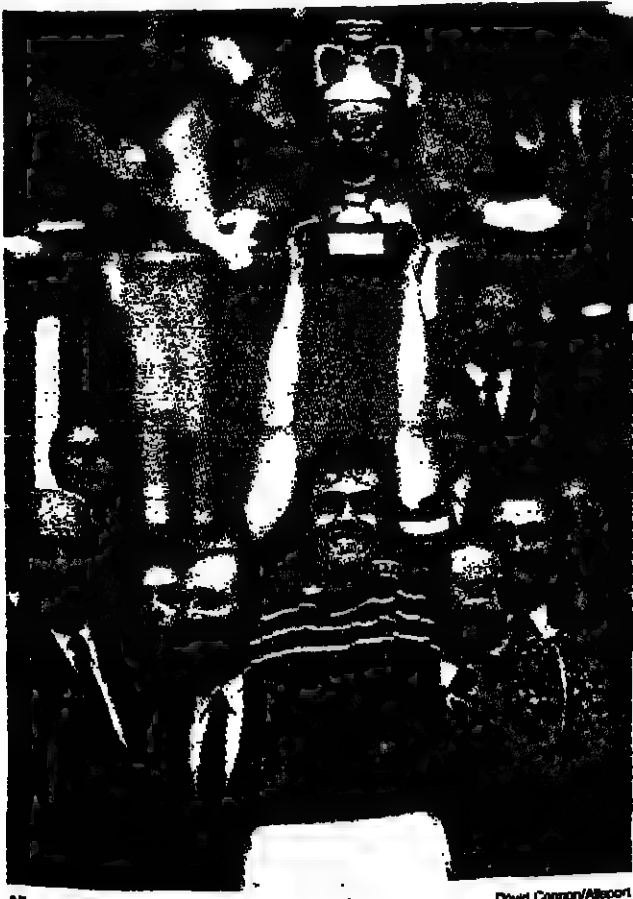
year's FA cup final between Manchester United and Liverpool was not decided by any system. True, United's sharp tackling and sound defence snuffed out anything Liverpool could throw at them; yet it just took one sweetly-struck volley to swing the game. It is the beauty – and the near-unbearable frustration – of football at the highest level.

I am sure Venables was fascinated as he watched Ajax and Juventus, two of Europe's most sophisticated sides, battle out the Champions' League final in Rome two weeks ago. It is easy to become enraptured by Ajax in full flow. Their fluid and fluent passing game – based on immaculate technique and concentration – can have a mesmerizing effect on opposition and spectators alike.

Yet Juventus, deciding to eschew the midfield battle which they would almost certainly have lost, countered by playing with three forwards, and concentrated on supplying

them early and frequently. Ajax's three-man defence looked flustered from the start; the hard running and pressing of Gianluca Vialli and Fabrizio Ravanelli never let the Dutch side settle into a rhythm. It was not quite the Charles Hughes school of up-and-at-em football, but it certainly was not the type of patient, phlegmatic game we have come to expect from Italian sides.

Juventus still only managed to draw the match, however. To win the cup, they had to rely on the nerves and technique of their four penalty-takers who duly stood up to be counted. It would be a big surprise if Euro 96 did not see at least one game decided in this unsatisfactory manner. Yet to take a penalty is the ultimate test of technical ability and strength of character. Contrary to popular belief, luck has little to do with it. Perhaps these crude, dramatic cameos encapsulate all that football has to offer after all.



All-round excellence: Michel Platini in 1984

David Conn/Albion

INTERNATIONAL ARTS GUIDE

What's on in the principal cities

AMSTERDAM

AUCTION

Sothebys Amsterdam Tel: 31-20-5502200
 ● Modern and Contemporary Art: highlight of this sale is Carol Wilink's "Trafalgar Square". Also featured are two other paintings by Wilink, a collection of works by Kees Verwey, and Karel Appel's large-scale painting "Paysage Humaine" (1959); 10.30am, 2pm & 7.30pm; Jun 4

CONCERT

Concertgebouw Tel: 31-20-5730573
 ● Nederlands Philharmonisch Orkest with conductor Marcello Vitti and pianist Elise Rodriguez perform works by Ravel and Berlioz; 8.15pm; Jun 1, 2 (2.15pm), 3, 5

EXHIBITION

Museum het Rembrandthuis Tel: 31-20-6249486
 ● The Old Testament in Dutch 16th and 17th-century Print Making. Rembrandt, his predecessors and pupils: religious scenes constitute an important part of Dutch 16th and 17th-century imagery. Especially dramatic events from the Old Testament, like The Fall, Abraham's Sacrifice, Susanna and the Elders, were popular subjects for artists. The exhibition shows the drama of the Old Testament through the eyes of artists such as Rembrandt, Goltzius, Lucas van Leyden and Maarten van Heemskerck; to Jun 2

OPERA

Het Muziektheater Tel: 31-20-5518117
 ● Otello: by Verdi. Conducted by Riccardo Chailly and performed by De Nederlandse Opera and the Koninklijk Concertgebouworkest. Soloists include Vladimir Bogachov, Timothy Noble, Charlotte Margiono and Victoria Ombrescu; 7.30pm; Jun 4
 Koninklijk Theater Carré Tel: 31-20-6226177
 ● A King, Riding: by de Vries. Conducted by Reinbert de Leeuw and performed by the Schoenberg Ensemble and the Asko Ensemble. Soloists include Derek Lee Ragin, Lisa Saffer and Christopher Gillett. Part of the Holland Festival 1996; 8pm; Jun 2, 3, 4

BARCELONA

Fundació la Caixa Tel: 34-3-4588907
 ● Photography and Society in Franco's Spain. The Sources of Memory III: exhibition of more than 200 photographs reflecting Spanish life from the end of the Civil War until the death of General Franco. The works come from archives of Spanish and foreign cultural institutions, private collections and various photographers' personal archives; to Jun 9

BASEL

Kunstmuseum Basel Tel: 41-61-2710228
 ● Carlo d'Amore. Klassizistische Moderne in Musik und bildender Kunst 1914-1935: exhibition focusing on classical modernism in music and visual arts. The display features more than 100 paintings, drawings and sculptures from international museum and private collections, as well as musical scores from the collection of the Paul Sacher Foundation. The show includes works by Picasso, Matisse, De Chirico, Dalí, Bonnard, Mallot and Léger; to Jun 11

BERGEN

FESTIVAL
 Bergen International Festival, Norway Tel: 47-55-312170
 ● Bergen International Festival: this festival was founded in 1953 and has since then focused on presenting prominent Norwegian and international artists in the field of music, ballet, opera, theatre, folklore and other arts. Central festival theme is the music of Edvard Grieg; to Jun 2

BERLIN

CONCERT
 Deutsche Oper Berlin Tel: 49-30-338401
 ● Galina Gorchakova: accompanied by pianist Larissa Gergieva. The soprano performs songs by Glinka, Gargonychsky, Balakirev, Rimsky-Korsakov, Tchaikovsky and Rachmaninov; 8pm; Jun 4
 Konzerthaus Tel: 49-30-203090
 ● Orchester der Deutschen Oper Berlin: with conductor Maxim Shostakovich and cellist Mischa Maisky perform works by R. Schumann and Shostakovich; 8pm; Jun 5
 Philharmonie & Kammermusikkol Tel: 49-30-2614383
 ● Berliner Philharmonisches Orchester: with conductor James Levine perform works by J.S. Bach, Takemitsu, Debussy and Mendelssohn; 8pm; Jun 5, 6, 7

BONN

OPERA
 Oper der Stadt Bonn Tel: 49-228-7281
 ● Händel und Götter: conducted by Shuja Oktas and performed by the Oper der Stadt Bonn. Soloists include D. von Bronewski, I. Bartz, A. Hoffmann and R. Ingle; 8pm; Jun 5

BOSTON

EXHIBITION
 Museum of Fine Arts Tel: 1-617-267-9300
 ● Lithography's First Half Century:



Part of 'Gris Taking a Walk in La Gran Via, Madrid' by Catalá Roca, from a Barcelona exhibition of Photography and Society in Franco's Spain

The Age of Goya and Delacroix: In celebration of the 200th anniversary of the invention of lithography by Bavarian actor and playwright Aloys Senefelder, the exhibition examines lithography by artists such as Delacroix and Goya. Works by lesser known artists and prominent artists not usually associated with the medium are also displayed; to Jul 7

CANBERRA

EXHIBITION
 National Gallery of Australia Tel: 61-6-240-6411
 ● Roy Lichtenstein: Printworks: exhibition of printworks by the American Pop-artist Roy Lichtenstein, drawn from the museum's collection. Included in the exhibition is Lichtenstein's only illustrated book, "La nouvelle chute de l'Amérique (The new fall of America)", which was acquired by the National Gallery of Australia late last year; to Jul 21

COLOGNE

CONCERT
 Philharmonie Tel: 49-221-2040820
 ● Camerata Academica Salzburg: with conductor Sándor Végh perform Schubert's Symphony No.5 in B major and Symphony No.8 in C major; 8pm; Jun 2

OPERA
 Opernhaus Tel: 49-221-2218240
 ● Serey: by Handel. Conducted by Graeme Jenkins and performed by the Oper Köln. Soloists include Martínez, Lascarrat and Peeters; 7pm; Jun 5

FLORENCE

OPERA
 Teatro Comunale Tel: 39-55-211158
 ● Lucia di Lammermoor: by Donizetti. Conducted by Zubin Mehta and performed by the Orchestra e Coro del Maggio Musicale Fiorentino. Soloists include Pierre Lefebvre, Marco Berti, Elizabeth Futral (Jun 3, 4) and Mariella Davis (Jun 5); 8.30pm; Jun 3, 4, 5

FRANKFURT AM MAIN

CONCERT
 Alte Oper Tel: 49-69-1340400
 ● Blood on the Floor: by Mark-Anthony Turnage. Conducted by Peter Rundel and performed by the Ensemble Modern. Soloists include electric guitarist John Scofield, drummer Peter Erskine and saxophonist Martin Roberts; 8pm; Jun 5
 Jahrhunderthalle Noedchertel Tel: 49-69-3601240
 ● Wagner's RING an einem Abend: narrator Loriot (Vico von Bölow), and soloists and orchestra of the Nationaltheater Mannheim with conductor Jun Märk in a programme featuring highlights of Wagner's opera cycle Der Ring des Nibelungen; 8pm; Jun 2

HAMBURG

CONCERT
 Musikhalle Hamburg Tel: 49-40-346920
 ● Murray Perahia: the pianist performs works by Scarlatti, Handel, Mendelssohn, J.S. Bach and R. Schumann; 7.30pm; Jun 5

HOUSTON

EXHIBITION
 Museum of Fine Arts Tel: 1-713-639-7300
 ● Jackson Pollock: Works on Paper: exhibition of 34 drawings created between 1939 and 1956 by Jackson Pollock, one of the leaders of Abstract Expressionism. All of the works come from the Pollock estate, and the majority are sketchbook or working drawings that provide insight into Pollock's development in this period. They were executed during the time he was in Jungian analysis and represent a visual diary of his dreams, insights, and visions; to Jun 30

LONDON

EXHIBITION
 Tate Gallery Tel: 44-171-9878000
 ● Still But Not Silent: this exhibition brings together still life paintings and sculptures from the Tate Gallery's collection by both British and foreign artists. The works range in date from the late seventeenth century to the present, and reveal the persistent attraction for artists of this form of art; to Jul 14
 Victoria & Albert Museum Tel: 44-171-9388500

● Arts and Crafts Architecture: coinciding with the V&A's major William Morris exhibition, this display tells the story of the development from the 1850s of an approach to domestic architecture which matched the arts and crafts ideals of William Morris. The display includes work by Philip Webb, Norman Shaw, W.E. Nesfield, C.R. Ashbee and C.F.A. Voysey; to Sep 29

● The Pre-Raphaelites and Early British Photography: this exhibition brings together drawings and watercolours by the Pre-Raphaelites and their followers, and work of such photographers as Francis Bedford, Lady Heward and Julia Margaret Cameron; from Jun 3 to Sep 29

LOS ANGELES

EXHIBITION
 The J. Paul Getty Museum Tel: 1-310-435-7811
 ● 19th-Century French Drawings: exhibition of twenty-five drawings by 19th-century French masters from the museum's collection, with examples from Neo-Classicism through Post-Impressionism, including works by Cézanne, Delacroix, Germain, Ingres, Millet, Manet and Degas; to Aug 25

MADRID

CONCERT
 Fundación Juan March Tel: 34-1-4354240
 ● Rafael Cuervo, José Antonio Camero and Álvaro P. Campos: the pianist, violinist and cellist perform Beethoven's Trio in D minor and Allegretto in B flat major; 7.30pm; Jun 5

MILAN

CONCERT
 Teatro alla Scala di Milano Tel: 39-2-72003744
 ● Murray Perahia: the pianist performs works by Scarlatti, J.S. Bach, Handel, R. Schumann and Mendelssohn; 8pm; Jun 3

MOSCOW

EXHIBITION
 State Pushkin Museum Tel: 7-095-2036974
 ● The Treasure of Troy: exhibition of some 260 gold and silver objects, excavated by the German archaeologist Heinrich Schliemann in Turkey in 1873. It was Schliemann's belief that these objects, including diadems, rings, necklaces and goblets, once belonged to the Trojan King Priamos, but later research has proved this to be untrue. The finds were brought from Berlin to Russia by the Red Army at the end of World War II; end date not known yet

MUNICH

CONCERT
 Philharmonie im Gasteig Tel: 49-89-4808825
 ● Münchner Philharmoniker: with conductor Sergiu Celibidache and pianist Dan Grigore perform works by Schubert, Beethoven and Mozart; 8pm; Jun 3, 4

MUNICH

EXHIBITION
 Staatliche Museen Tel: 49-89-2936974
 ● The Treasure of Troy: exhibition of some 260 gold and silver objects, excavated by the German archaeologist Heinrich Schliemann in Turkey in 1873. It was Schliemann's belief that these objects, including diadems, rings, necklaces and goblets, once belonged to the Trojan King Priamos, but later research has proved this to be untrue. The finds were brought from Berlin to Russia by the Red Army at the end of World War II; end date not known yet

MUNICH

CONCERT
 Philharmonie im Gasteig Tel: 49-89-4808825
 ● Münchner Philharmoniker: with conductor Sergiu Celibidache and pianist Dan Grigore perform works by Schubert, Beethoven and Mozart; 8pm; Jun 3, 4

Haus der Kunst Tel: 49-89-211270
 ● Lovis Corinth 1858-1925: Retrospektive: retrospective exhibition devoted to Lovis Corinth, one of the leaders of German Impressionism. The display includes nearly 150 paintings, approximately 60 drawings and watercolours, as well as a selection of prints. After the showing in Munich the exhibition will travel to Berlin, Saint Louis and London; to Jul 21

OPERA

Nationaltheater Tel: 49-89-21851820
 ● La Bohème: by Puccini. Conducted by Mark Elder and performed by the Bayerische Staatsoper. Soloists include Angela Gheorghiu, Julie Kaufmann, Mario Malagrin and Rodney Gilroy; 7.30pm; Jun 5

NEW YORK

AUCTION
 Sothebys Tel: 1-212-608-7000
 ● Important Works of Art and Jewelry from the Collection of Lillian Nassau, Ltd.: sale of items from the collection of Lillian Nassau, dealer and collector of Art Nouveau and Art Deco. The collection on sale features 50 pieces of Art Nouveau jewellery, rings, purses, hair combs and objects acquired by Mrs Nassau during the 1960s and 1970s in both the United States and France, including works by René Lalique, Louis Comfort Tiffany, Edouard Colonna, Georges Fouquet, Alphonse Mucha and Lucien Gallard; 10.15am; Jun 5

CONCERT

Avery Fisher Hall Tel: 1-212-875-5030
 ● Brooklyn Philharmonic: with conductor Dennis Russell Davies and the NY Choral Society perform Beethoven's Symphony No.9 and R. Schumann's Mass in C minor; 8pm; Jun 2

EXHIBITION

The Jewish Museum Tel: 1-212-423-3200
 ● Marc Chagall 1907-1917: this exhibition of paintings, gouaches and drawings provides an overview of Marc Chagall's early career and the decade during which his aesthetic language and attitude were formed. The exhibition includes a selection of self-portraits, portraits of Chagall's family depicting life in Vitebsk and Lyozno, religious themes, and works produced after his return to Russia; to Aug 4

OXFORD

EXHIBITION
 Museum of Modern Art Tel: 44-1865-722733
 ● Carl Andre Sculptor 1968: the first large retrospective exhibition of Andre's sculpture to be shown in Britain for twenty years. Highlights of the exhibition include the reconstruction of the installation Equivalents I-VIII, created by Andre in 1968, and the eleven metre square piece called 6-Metal Fugue (for Mendelssohn), the surface of which is covered by hundreds of identically sized square plates made using six different metals; to Jun 30

PARIS

EXHIBITION
 Centre Georges Pompidou Tel: 33-1-44 78 12 33
 ● Pissarro 1922: this exhibition is a reconstruction of the exhibition organized by Francis Pissarro, one of the pioneers of Dada, in the Galerie Daimau in Barcelona in 1922. The display shows some 30 works, including gouaches and watercolours; to Jul 1
 Musée du Petit Palais Tel: 33-1 42 85 12 73
 ● Albrecht Dürer. Oeuvre gravé: exhibition of woodcuts and engravings by Albrecht Dürer (1471-1528) from the museum's collection, which encompasses the near totality of Dürer's graphic oeuvre. The display includes 122 woodcuts and 102 engravings; to Jul 21

FESTIVAL

Festival de Musique Française - Musique en Sorbonne Tel: 33-1 42 82 71 71
 ● Festival de Musique en Sorbonne: annual classical music festival taking place at the Sorbonne University in Paris. This year the festival is devoted to the Spanish composer Manuel de Falla, on the occasion of his death 50 years ago; from Jun 4 to Jun 25

ROME

CONCERT
 Accademia Nazionale di Santa Cecilia Tel: 39-6-3611064
 ● Orchestra dell'Accademia di Santa Cecilia: with conductor Michael Schemm and the Coro di Voci Bianche dell'Accademia perform works by Weber, R. Strauss, Bartók and Kodály; 5.30pm; Jun 2, 3 (9pm), 4 (7.30pm)

EXHIBITION

Museo Nazionale del Palazzo Venezia Tel: 39-6-6798865
 ● Felicien Rops: retrospective exhibition devoted to the work of the Belgian graphic artist Felicien Rops (1833-1898), who settled in Paris in the mid-1870s and acquired a reputation for satanism and decadence. The display features more than 300 works from public and private collections; to Sep 1

SAN FRANCISCO

EXHIBITION
 SOMOMA - Museum of Modern Art Tel: 1-415-357-4000
 ● Toward Abstraction: The Art of Paul Klee: from figurative works to landscape, this exhibition illustrates the artist's representation with abstract art. Presenting approximately 20 works and covering the years 1914 to 1940, this presentation begins with Klee's Cubist-inspired

works of the 1910s and includes geometric drawings he executed while he was teaching at the Bauhaus; to Jun 23

THE HAGUE

EXHIBITION
 Mauritshuis Tel: 31-70-3023456
 ● Johannes Vermeer: the first presentation ever devoted solely to the art of the Dutch painter Johannes Vermeer (1632-1675) presents 21 of the existing 35 works known to have been painted by this master who lived and worked in Delft. Nine paintings have been restored for the exhibition, including View of Delft; to Jun 9

TOKYO

CONCERT
 Suntory Hall Tel: 81-3-35751001
 ● Tokyo Philharmonic Orchestra: with conductor Fabio Luisi perform excerpts from Madame Butterfly and other operas by Puccini. Soloists include soprano Maria Guleghina, tenor Peter Dvorsky and baritone Sherrill Milnes. Part of the Puccini Festival; 7pm; Jun 3

VIENNA

CONCERT
 Konzerthaus Tel: 43-1-7121211
 ● ORF-Symphonieorchester: with conductor Peter Eötvös perform works by Kurtág, Bartók and Brahms/Schoenberg; 7.30pm; Jun 3
 Musikverein Tel: 43-1-5059881
 ● Emma Kirkby and Anthony Rooley: the soprano and luteist perform works by Locke, Purcell, Humphrey and Blow; 7.30pm; Jun 3
 ● Symphony No.8: by Bruckner. Performed by the Wiener Symphoniker with conductor Rafael Frühbeck de Burgos; 7.30pm; Jun 4

EXHIBITION

Kunsthof der Bank Austria Tel: 43-1-5320844
 ● Drawing in Austria 1908 to 1938. From Schiele to Wotruba: exhibition of some 130 works on paper by 56 Austrian artists, including Gustav Klimt, Egon Schiele, Oskar Kokenchitz, Alfred Kubin, Max Oppenheimer, Herbert Boeckl, Albert Paris Gütersloh, Max Weber and Fritz Wotruba; from Jun 5 to Aug 4

OPERA

Wiener Staatsoper Tel: 43-1-514442960
 ● Jerusalem: by Verdi. Conducted by Zubin Mehta and performed by the Wiener Staatsoper. Soloists include José Carreras, Eliane Coelho and Samuel Ramey; 8pm; Jun 2

WASHINGTON

EXHIBITION
 National Gallery of Art Tel: 1-202-7374215
 ● Jan Steen: Painter and Storyteller: this exhibition of approximately forty-five paintings by Jan Steen examines the range of subjects and styles in this Dutch artist's body of work. There has been no major exhibition of Steen's work since the retrospective at the Mauritshuis in The Hague in 1969; to Aug 18

ZURICH

AUCTION
 Sothebys Zürich Tel: 41-1-2020011
 ● Porcelain and Furniture: auction taking place in Hotel Baur au Lac in Zurich. Highlights of the porcelain section include a selection of 89 works from the collection of the Zurich collector Sir Guggenheim. The furniture section includes French, German and Swiss furniture; 1pm; Jun 5

CONCERT

Opernhaus Zürich Tel: 41-1-268 6666
 ● Orchester der Oper Zürich: with conductor Paul Sacher and violinist Anne Sophie Mutter perform works by Mozart; 8pm; Jun 3
 Tonhalle Tel: 41-1-2083434
 ● Alicia de Larocha: the pianist performs works by Mendelssohn, Schumann and Albeniz; 7.30pm; Jun 3

EXHIBITION

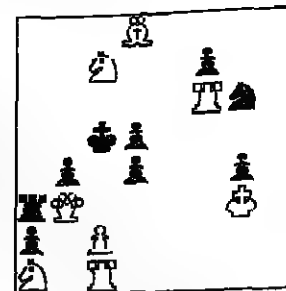
Kunsthof Zürich Tel: 41-1-2516765
 ● Das Alte China: this loan exhibition from the Asia Museum in London and the Louisiana Museum in Humlebeek, Denmark; to Jul 14
 ● Listing compiled and supplied by ArtBase The International Arts Database, Amsterdam, The Netherlands. Copyright 1996. All rights reserved. Tel: 31 20 664 6441

CHESS

Seville's Dos Hermanas tournament which ends tonight has nine of the world's top 10 grandmasters, with an average rating of 2,713 and lacking only Karpov, whose Fide title match against Kasparov starts next week.
 Whether Seville will reach the historic eminence of legendary past events such as St Petersburg 1914 or Avro 1938 remains to be seen. The old-style tournaments were double-rounders fielding several world champions, while Seville is briefer and its only world title holder is Kasparov.

Not that Kasparov has found it easy: with two rounds left he was only fourth after this escape from a dubious opening (Anand v Kasparov, Sicilian Defence).
 1 e4 c5 2 Nf3 d6 3 d4 cxd4 4 Nxd4 Nf6 5 Nc3 a6 6 Be3 e5 7 g4 h6 8 f4 e5 9 Nf5 Nf6 10 Qf3 g6 11 0-0-0! A knight offer for a pawn wedge which stymies Black's development. Interestingly 6 Be3 is the "English Attack" which Nigel Short avoided in the 1993 title match because he feared Kasparov's preparation.

gxf5 12 exf5 e4 13 Nxe4 Nxe4 14 Qxe4 Qe7 15 Qd3 Bg7 16 Bd2 17 Bb1 0-0 17 Qxd6 Qxd6 18 f6 with three pawns for the knight Black cannot



White mates in two moves, against any defence (by K. Hannemann). Black's king is move-bound, yet this problem caught out more than half the 1992 UK Solving Championship finalists.

Solution. Page 17

Leonard Barden

BRIDGE

Even the supermarket is not safe for the bridge writer. I am assaulted all too often, and I tread the aisles in fear. My faceless assailants carry my trials on the backs of their shopping lists, lying in wait at the check-outs. This is what lay in store for me last week.

W N E S
 ♠ A 10 5
 ♥ 9 8 5 4
 ♦ 8 5 3
 ♣ K 10 3
 ♠ Q 8 2
 ♥ K 10 7 6 3
 ♦ Q 8
 ♣ A J 3
 ♠ J
 ♥ A Q 2
 ♦ 10 9 7 4 2
 ♣ 9 8 7 4
 ♠ K J 9 7 6 2
 ♥ J
 ♦ A E J
 ♣ Q 8 5

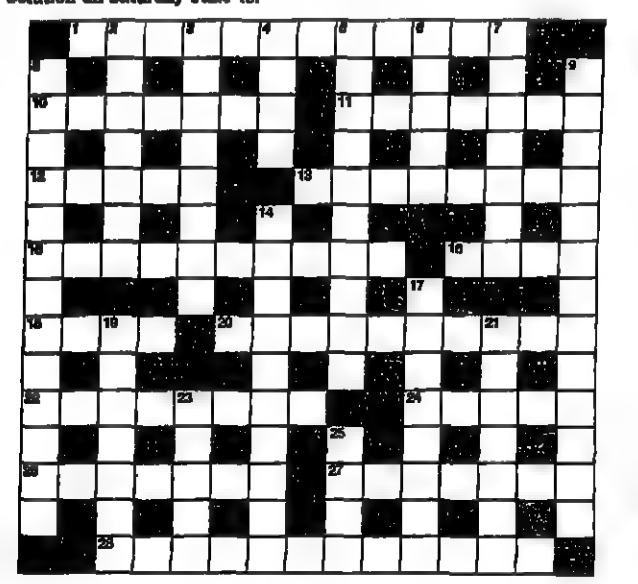
West opened 1H and East raised to 2E. South overcalled 3S and North closed the auction with 4S.
 West led ♠7. East won with A♥ and switched to 4♠. Apparently, declarer had lost J♠ to Q♥. ♠♠ by playing for a 2-3 split; and finally two clubs.

Paul Mendelson

CROSSWORD

No. 9,083 Set by CINEPHILE

A prize of a classic Pelikan Souvenir 800 fountain pen for the first correct solution opened and five runner-up prizes of £35 Pelikan vouchers. Solutions by Wednesday June 12, marked Crossword 9,083 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday June 15.



Name: _____ Address: _____

ACROSS
 1 I do business and manage with care and the perfect partner (5,7)
 10 Preserved, not draught (7)
 11 Brother Julius is a little gross about a cry of pain (7)
 12 Lamb's prophet (5)
 13 Geisha gets gin cocktail in rotation (4,4)
 14 The Heavenly W, Opie's work to cushion (1,4)
 15 Trendy accountant from South America (4)
 16 Get on with the establishment of old (4)
 20 It isn't established: it costs nothing to take companions round the old city (4,6)
 22 The final solution? (1,4)
 24 West to be declared? Can't decide (5)
 26 Hurried back at speed to tell the tale (7)
 27 Stand by the fire and press (7)
 28 Shepherdess makes it to the barn returning among other people (6,3-4)

DOWN
 2 Remove the end from the nit-springs? (7)
 3 Silver going missing - one article - causes innate dumbness (8)
 4 Don't let anyone see the leather (4)
 5 Put a name to an author expert at character-drawing (1,4)
 6 Deck with sailors after a party? (5)
 7 Princess takes new tonic, in a manner of speaking (7)
 8 Preoccupation implying inhumanity or... (7,2,3)
 9... sheepskin coat at assembly (4,9)
 14 A Welsh peer in difficulties replacing a flat (5,5)
 17 Appeared exposed: (6,2)
 18 Sedative taken by student in the course of Beethoven's ninth (7)
 21 Back the sapper's line (7)
 23 Rough copy of concepts? (6)
 25 Costume that raises a boast (4)

Solution 9,082

Solution 9,072

ROLLINGSTOCK
 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100
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 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75



James Morgan

Stolen handbag upstages the king

Is the IMF a force for republicanism? Bulgaria's ex-King Simeon could be forgiven for thinking so

I expect you, like me, have been fascinated by the series on Europe's monarchies which has been appearing on this page. By definition, the monarchies are excluded but they could provide a worthy sequel.

So it is worth studying the return of ex-King Simeon last weekend for a lengthy visit to his homeland, Bulgaria. After reading about the Netherlands and Belgium, Sweden and Spain, one can only view European monarchies as a wholly positive force. It is right that Bulgaria should join some of the most civilised states in the new Europe.

But not all Bulgarians agree. *Duma*, the leftist daily, trailed Simeon's arrival thus: "Three lost wars with about a million victims,

two national catastrophes, a coup drowned in blood and dozens of hundreds executed... this is what Bulgaria got from the 60-year rule of a dynasty in whose veins there was not one drop of Bulgarian blood."

As luck would have it, Simeon and his Spanish consort, Margarita, arrived in Sofia in the middle of an economic maelstrom. A collapsed currency, the main interest rate at 106 per cent, long queues outside bakeries.

The papers greeted the royal arrivals with headlines like "A circus without bread". And so the media were dominated not by Simeon, but by Anne McGuirk who arrived a couple of weeks before Simeon to lead the International

Monetary Fund mission to Bulgaria. The official news management was such that every time it seemed that Simeon was going to attract favourable public attention, it popped McGuirk. Thus her promise of loans "in principle" was Monday's main news story when it should have been Simeon's tour of Sofia.

Is the IMF a force for republicanism? One wonders. The announcement of the details of the royal visit on May 13 was not as interesting as the tale of the theft of McGuirk's handbag at a lunch with officials of the central bank at what the papers called "the posh Krim restaurant". The police said a waiter was suspected.

The theft of an IMF handbag is

an unusual event, especially when it occurs right under the noses of central bank staff. McGuirk lost about \$700. Not enough to save off Bulgaria's crisis but *Demotiksya* wrote: "Senior financiers hope the incident will not change Ma McGuirk's intentions." In the end the country was provisionally promised \$400m.

Simeon, meanwhile, had to make speeches about the crisis without seeming to act as an agent of the Fund or in opposition to it. So he spoke of the need for all Bulgarians to pull together.

Demotiksya said that officials had been told to create "an information blackout and chaos". Thus the ex-King's arrival provided only the 10th item in the national radio

news bulletin. In *Trud*, a leftist paper, a leader of the anti-monarchist socialist party allowed crocodile tears to flood the page: "Hundreds of those who came to welcome the ex-king injured, the bleeding faces of two of our reporters, smashed glasses in the VIP lounge, a child hit by a jeep in front of the Pliska hotel - these are the sad results of the King's welcome party yesterday."

The authorities even mounted a campaign to produce a new national coat of arms, without a crown, by the time the ex-king arrived.

Blagovest Sendov, the speaker of the National Assembly, summed up the failure of the project: "I have said on many occasions that Bul-

garia will soon have a coat of arms, and I was wrong."

Simeon and his consort seem to have behaved with dignity in the face of some provocation (as when his official bodyguard beat up a supporter), even accepting an icon of St George the Victorious and a blouse embroidered in the national colours with good grace.

But the royal cause has not so far been greatly enhanced by the visit. Although many Bulgarians see the ex-king as a saviour, comparing him favourably with the politicians who have brought the country so low, the Fund sat on the throne.

It will be interesting to see if he fares better now it has departed. ■ James Morgan is BBC World Service economics correspondent

Peter Aspdén

How to make 'em pay



Somewhere with a wicked sense of irony is directing things up there. England is hosting something called Euro 96 at the very time that decent patriots everywhere

are fuming with indignation that Europe will not eat our beef.

The BBC, in conciliatory mood, chooses Beethoven's sublime "Ode to Joy" - a hymn of European brotherhood - to advertise its coverage of the football festivities. But the tabloid press turns on the BBC because Beethoven is German. And Germany just happens to be better than England at football as well as sublime music.

The nation, in truculent mood and girding its loins for battle, chooses its greatest ever sports star in a television poll. Among the contenders are a cricketer known, spookily, as Beefy, and a flabby 50-year-old who was so steeped in sporting genius that he had to turn to that great British hobby - becoming comatose through drink - in order to cope with his sybaritic life. They both lose to a strapping decathlete who liked to celebrate victory by parading offensive T-shirts to the media.

Meanwhile, cows graze innocently in the fields, bedecked with advertising billboards, in the kind of audacious mid-career change that busy executives dream about long and hard.

The robust interchanges that characterise British political life

They can run rings around our footballers, but can they resist the chance to see their own masterpieces?

have given way to a mild surrealism as bull semen, murderous Land Rover drivers and formula baby milk swap places on the front pages. And what of Europe and its morally fascist inhabitants? What are they up to?

They are all in London, of course. I popped into the National Gallery at the weekend to get away from all the madness, only to find it swarming uncomfortably with Europeans. A lugubrious fellow in uniform was coming then all in. He informed me neutrally that the gallery received up to 10,000 visitors a day, and most of them were "foreign".

Most annoying of all, I reminded him, they all entered for free. So, allowing for even a modest entrance fee, perhaps £50,000 a day is lost to the Exchequer so that Europeans and others can have a slightly cheaper holiday looking at our art (which, of course, is largely their art, but Britain has it now and is superb at looking after it).

You do not have to be bovine to find it exasperating.

So I worked out a plan which might just win John Major a vote or two, pay for a new lick of paint for a few national monuments and tell the *Europe-Monarch* rogues where to go shortly before they walk away with the competition which England is so generously hosting.

It is quite simple: during the course of Euro 96, institute a adding scale of charges for admission to the National Gallery. British people, naturally, could get in for nothing. Then, taking the rest of the world in turn, highest charges of all would be paid by Pacific Rim nations (an economic miracle supplement), then Americans (dominant world culture supplement) and then finally Europeans. And this is where it becomes interesting.

I would charge all EU citizens a sum proportional to the number of works of art their country has in the gallery - the more works, the higher the fee. This would hit the Italians quite hard, but they have a good chance of winning Euro 96 so would probably not mind. The French would suffer too, and the Spanish, but since when did we worry unduly about that? The Danes and the Irish would not complain too much. But Denmark have few chances of progressing to the final, and Ireland didn't even qualify.

The delicious point of all this is to hit Europeans where it hurts - their culture. They can turn down our beef, run rings around our footballers, but can they resist the chance to see their own masterpieces? Trapped by their own vanity and sense of aesthetic superiority, what could be more apt?

And I also have a word for the BBC and that troublesome theme tune. How about something wholly British, coming from that dizzy period in the 1960s when we really were rather special? It must take us back, yet propel us forward. It has to give out the right message. It needs to sum up everything we feel about ourselves. How about that nice Beatles tune - "Help!"

Royalty

Just a job - but like no other

Christian Tyler explains why Norwegians love their king

Two weeks ago, as every year on National Day, half of Norway was on the march. With brass bands blaring and schoolchildren in folk costume skipping beside them, thousands of people paraded up Oslo's central avenue to the Stortorset palace to sing the national anthem and wave to the royal family on the balcony.

Norwegians seem as possessively fond of King Harald V, as they were of his father Olav, the man who used to boast that he was protected by "four million security guards".

Yet, as in the other European monarchies, the royal succession can be a trying time. "Many people thought there would be a change of attitude," said one of Harald's former private secretaries who was surprised by the enthusiasm which greeted Harald's accession in January 1991. "There was a tremendous response. The monarchy proved much stronger than you would expect in a secular, republican country."

Harald, 56, is only the third king Norway has been able to call its own since 1818. Perhaps for this reason the country clings to its monarch as the symbol of full independence achieved only in 1905 when it forced the dissolution of the union with Sweden. He is a reminder, too, of his grandfather's brave - if hopeless - resistance to German occupation during the second world war. King Haakon VII had rallied an unprepared and defeated government before being forced to escape with his son, Olav, and his ministers to London, where he continued to encourage his countrymen with broadcasts over the BBC. Young Harald, his mother and two sisters, took ship to the US and sheltered in the White House.

"The institution is a paradox and an anachronism," agreed Kjell Arne Tøllund, former academic, student of insignia and "royal reporter" of the gossip magazine, *See and Hear*. "But it still has a function. I look on it as a symbol of the unity of the nation, its personification. Hereditarily represents a continuity that a president could never have."

By their own admission, Norwegians - especially outside Oslo - are a conservative nation, while claiming to be more classless even than their Swedish neighbours. Small-country nationalism may account for their enthusiasm for the Eurovision song contest which they hosted last month having won the trophy last year; it may also explain their sensitivity to foreign opinion, not to mention their referendum decision in 1994 to stay out of the European Union.

Conservatism may account for the fact that the Norwegian king remains, like the British queen, "defender of the faith", in his case the Lutheran state religion, and



King Harald V, only the third king Norway has been able to call its own

why until 1990 women were not eligible to succeed to the throne.

The monarch has been allowed to retain powers to delay legislation by veto (a power never used) and to form governments. The latter has been democratically exercised. When the socialists, who two years before had been members of the Comintern, emerged from the 1998 general election with the biggest vote, Haakon surprised everyone by asking their leader to form a government. "I am also king of the communists," he is supposed to have said.

Communists or commoners. It does not matter. The fact that Harald's queen, Sonja, (confusingly born Haraldsen) is not of blue blood but the daughter of a textile merchant has been a good influence by helping the king to mix with ordi-

nary people, according to Fridtjof Frank Gundersen, an MP of the small, right-wing Progress party.

Harald has impressed others with his everyday knowledge. "When I first met him I was amazed by his knowledge of agriculture," said Edvard Grønstad, deputy speaker of the Norwegian parliament and a farmer himself. "What impresses me is his personal involvement. Other people say the same."

The king shows his common touch in other ways. Recently, for example, he invited to the palace a member of a quaint organisation called the Losers' Club which cares for people who have missed their education or fallen through the social net. The club was started by a successful sports reporter who lost his job for giving the wrong result of a football match because

he felt sorry for the losing team.

The royal train is little more than one coach and a kitchenette, and was a "gift" of the state railways; the royal yacht, which is substantial, was a gift of the people. The royal family flies on commercial airlines and the children, Crown Prince Haakon, 29, and his elder sister Princess Märtha Louise, 24, are able to go shopping in Oslo with only a couple of bodyguards.

Republicans have made threatening noises in the past but are silent today as in every other European monarchy. Deputy Speaker Grønstad said: "Every four years the socialists propose a republic. But it's a sort of ceremony."

The upshot is that an inquisitive press is careful not to intrude unduly - so far, at least. "The main reason we are not nasty to our roy-

als is that there is nothing to be nasty about," said Tøllund. Even if there were something to hide, Norwegians did not want to hear ill of them, according to a reporter on another paper: "People here don't tell the papers if they see members of the family, or try to sell pictures of them. And we don't want to hide in the bushes, either."

So Haakon was allowed to go off for weekends with his former girlfriend, an "upper-class" model, without being chased. And his sister's affairs, with an Olympic surferboarder, with an English showjumper (which led to Märtha Louise being cited in a divorce case) and latterly with a Dutch night porter and stable boy, caused little stir.

What did cause a stir was when Märtha Louise, while studying in the Netherlands, went for a bicycle

ride with a friend and without an escort, and was snatched by a Dutch photographer. Furious, she gave him the finger. But it was more the photographer's intrusion than the princess's rude gesture which scandalised Norwegian readers when the picture was reproduced in *See and Hear*. Britain's Princess Royal would have sympathised.

Like royal-watchers in other constitutional monarchies, the Norwegian press argues that the fact of hereditary succession justifies its interest. And, like their own counterparts elsewhere, the young Norwegian royals seem to be feeling the heat. Last week, at the end of a press conference to announce the royal children's plans to study abroad, Prince Haakon made an ad hoc speech berating the press for its surveillance. What one side sees as well-intentioned interest - and positive publicity - the other feels to be a stifling burden.

"If the Press make their life unbearable, sooner or later they will destroy any relationships formed by the young people in the family," said Carl-Erik Grønstad, a former palace official. He noted that journalists had held their fire during Harald and Sonja's courtship before their marriage in 1968. But the times were now over, he said, and the media had become too competitive to accept another.

Grønstad has not escaped the charge of intrusion himself. In some eyes he broke a taboo by writing a book drawing on his own experience as Sonja's private secretary and later as deputy private secretary to the king. Called *Behind the Facade* and subtitled "The history of the royal way of being", Grønstad claims his book is a work of political science, not a fly-on-the-wall exposé.

His prognosis for European kings and queens is that they will have to earn their keep by means of what Max Weber called "charisma and culture".

In early days they enjoyed more or less absolute power. In the first half of the present century the royals were symbolic military leaders. In the second half they have become figureheads for industry - export ambassadors.

"In the next millennium the royal product will have to be cultural, a spiritual force, the guide to moral values which the churches are not any longer. That is what people are nostalgic for."

But will the heirs want to take it on? Last weekend it was reported in Britain that young Prince William, son of Charles and Diana, had told his parents he never wants to be king. He wants "a normal life".

If Grønstad is right, all European heirs have their work cut out. For whatever the "royal product" means, their dilemma is the same. They have to be in touch with the people, but not too close. They have to be distant, but not aloof. They may be ordinary, but they can never lead a normal life. It is not that kind of job.

This is the last of the Royalty series

Fruitless in Los Angeles

Christopher Parkes experiences life as an expatriate gardener

The critters, our neighbour warned, would soon polish off our little vegetable patch. She failed only to mention *how* soon. Two dozen bell pepper plants - purple, green, yellow, orange and red - failed to survive the night. Bitter Japanese cucumbers succumbed, traceless, to the ravages of nocturnal raiders. Radishes vanished.

Curiously, only our indian corn and a sluggardly cluster of serrano chilies - 15 on a scale of one to 10 in hotness - stand as a testament to our husbandry.

It is one of our itinerant family's traditions that we stamp our identity on our foreign lodgings with garden work. It is a tradition which may not survive southern California, where the phrase "late bloomers" has taken on a new meaning.

This expatriate's annuals, planted a month ago, include ex-

petunias and sunburnt snapdragons. Even the geraniums are giving up the ghost. Only the impatiens and the children's neglected potted lobelias are doing well in a child-made microclimate which swings wildly between drought and dousings from the garden hose.

Our failing, it appears, is a lack of "Gardener's Ear". Sure, we should have listened to our neighbour. But we should also have heeded the endless scuttling, scrabblings, squeaking and merry munchings from the undergrowth. We might have learnt from the splashing on the two occasions the raccoons depopulated the golfish tub.

The fish were our attempt to provide quarantine-free pets for the children. They now have to make do with the critters.

The snail in the kitchen and the cicadas which have moved in behind the living room sofa are the least of it.

We have rats in the garden: big, black items with Disneyesque ears, and Hammer Films tails. We have gophers. God alone knows what they eat, but it must be buried deep to judge by the showers of grit and dust. Gopher snakes swish about, falling to live up to their name, apparently preferring mice.

At the cuddly end of the pest scale there are cottontail rabbits which sniff at our gifts of lettuce and prefer grazing on the ubiquitous groundcover ivy.

Possums, we think, spend balmy evenings up the eucalyptus and ficus trees peeling off the bark like cracking and snacking on the bugs beneath. They also enjoy snuffling around in the house.

Squirrels commute along the overhead telephone and power cables to feast on fir cones and the seeds and blossoms of the jacaranda trees. Humming birds probe fruitlessly at the red rose on our

watering can. Blue jays raid the bird table. Picky quail process through in troops. Deer eat the floribundas.

There is more than enough of everything to go round. Sun and sprinkler systems foster an ever-green environment in which our critters dine off a menu of astounding abundance.

Now, in California's early summer, we look over the wreckage of our backyard Europeanisation programme, and it comes as a comfort to realise that our furry neighbours have done us a favour. There are no fussy dots of colour to distract eyes drawn by swaths of crimson bougainvillea, oleanders in pink and white, coral trees and jacarandas of heavenly blue.

Our corn and chilies should be fruiting soon. The children still believe they will be grilling cobs and making salsa for daddy. But daddy knows better.



مكتبة الامير

Weekend Investor

Wall Street

Home buyers turn logic on its head

Mortgage rates are going up – but so are house sales, reports Maggie Urry

Why are Americans buying houses? Or, rather, why was the market taken by surprise this week when two sets of figures showed home sales were continuing to rise in spite of the upturn in mortgage rates?

To a simple economist, a rise in the price of something should cause a fall in demand. Mortgage rates, which in the US track long-dated bond yields, have risen from 7 to 8 per cent since the start of the year. Many had expected that the rising price of a home loan would damp demand for houses.

Not a bit of it. On Tuesday, the National Association of Realtors reported that sales of existing houses in April were running at an annual rate of 4.22m. That is the highest level since December 1993 and is up nearly 13.5 per cent from the rate in January this year. The figures are seasonally adjusted, so they make allowances for the no-one-buys-a-house-in-January effect.

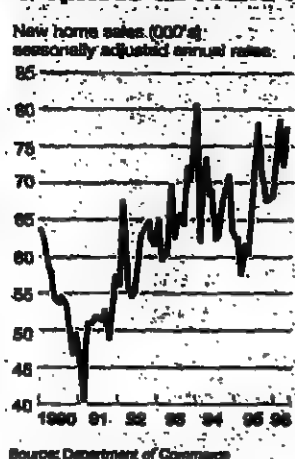
Thursday brought news from the government that sales of newly built houses also were buoyant in April, and running at an annual rate of 776,000. The monthly sales rate has exceeded 700,000 for four months in a row, the first time that has happened since the end of 1993. As well as the strong April number, the figures for February and March were revised upwards.

"Housing indicators continue to surprise on the upside," said the economists at Deutsche Morgan Grenfell (D.M.G.). Lawrence in their snap assessment of the figures. According to Marilyn Schajda, economist at Donaldson Lufkin & Jenrette, the number was "extremely significant, as it indicates prevailing high mortgage interest rates are not yet damaging this most interest rate sensitive sector of the economy."

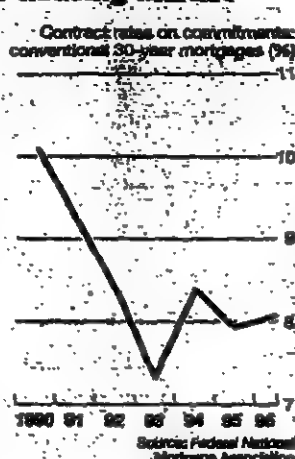
The bond market, in particular, defied the news, but that spilled over into falling share prices, too. After all, rising interest rates were supposed to choke off demand and slow down the economy. The faster the economy grows, the less happy is the bond market. To bond investors, growth means inflation – and that leads to yet higher interest rates and lower bond prices.

So, rising house sales are bad news for the markets. It is made worse by people having the annoying habit of following

Surprises all round for housing market



Source: Department of Commerce



Source: Mortgage Association

up a house purchase by shopping for refrigerators, carpets and the like. More spending, more economic growth.

The problem is that real people do not always behave as the economists expect. If the economy is doing well, people are probably feeling better off and more confident about buying a house. Those who have made money with their mutual fund investments in the past 18 months may feel wealthier, encouraging them to move to a larger house. It is, perhaps, significant that the value of Americans' stock market investments now exceeds the equity they have in housing.

As Allen Sinai, economist at Lehman Brothers, puts it: "Good demand-side fundamentals are bringing about the solid performance for housing and home-building in a period of higher interest rates."

All right, people might say, so mortgage rates have risen a bit. But at 8 per cent, they are not as high as they were a few years ago. And if rates are rising, it might be a good idea to take on a fixed rate mortgage sooner rather than later. So, Sinai expects the momentum of house buying to continue unless (or until) a rather sharper rise in interest rates is seen.

He adds: "Not until a substantial tightening of monetary policy occurs, or there is a significant restraint in lending, can a sharp decline be expected in home buying and building activities." That could happen in 1997, he believes.

Stephen Roach, chief economist at Morgan Stanley, suggests that if the long bond yield (which was touching 7 per cent yesterday) went to 7%

or 8 per cent, then the sector would weaken. He says there is a general disbelief in the present vigour of the economy.

That could be changing. The first quarter gross domestic product figure was revised downwards this week, from 2.8 to 2.3 per cent.

And while that might sound like good news for the market, the thing that changed in the first quarter figure was stocks, which turned out to be lower than first estimated. That will mean companies stepping up production, making second quarter growth faster than expected previously.

There is another worrying sign for a market concerned about too-rapid growth and higher interest rates. Suddenly this week, normally taciturn Federal Reserve officials have become remarkably garrulous.

A rash of statements from various policymakers have highlighted the Fed's need to be wary about inflation. Food and energy prices were rising, wages picking up and there was little slack in the economy, they said.

Roach called the hawkish remarks "no coincidence." Previously, he had calculated odds of one in three on a rate rise at the Fed's next meeting early next month.

Now, he thinks the likelihood is 40 per cent.

The lesson? Anyone thinking of buying a house should move fast.

Dow Jones Industrial Average
Monday Closed
Tuesday 5,709.67 - 33.19
Wednesday 5,673.83 - 35.84
Thursday 5,693.41 + 19.58
Friday

London

Buy now while stocks last

Philip Coggan sees thirsty bidders lap up liquid assets

Phow, water scorchers! Not only did summer finally arrive in London this week but the UK stock market got a lift at a difficult time from a brace of bidders for Southern Water.

Britons are famous for ripping off their clothes and sitting outside as soon as there is a break in the clouds. And investors were suitably losing their cool at the prospect of the remaining independent water companies being lapped up by bidders. As the graph shows, during the week the water sector recovered all of this year's underperformance relative to the FT-SE All-Share index.

There is a real feel of "buy now while stocks last" in the utilities sector as investors (and corporate managements) contemplate the prospect of a Labour government. A Tony Blair administration could restrict takeovers in the sector and might also take away the utilities' spare cash by means of a windfall tax.

Collectors of utilities' bids now have the full set. They have seen electricity generators bidding for distributors, water companies bidding for each other, and water companies buying electricity groups. Finally, they have two electricity groups bidding for a water stock.

The rival offers, from Scottish Power and Southern Electric, both involve a combination of cash and paper and the winning bid could give a modest boost to the overall market, assuming it passes the regulatory hurdles.

But yesterday's much-expected merger between Lucas and Varsity, an all-share deal, did little beyond helping the share price of the automotive components group, which predicted substantial cost savings and which should see its shares return to the FT-SE 100 index as a result.

Unlike those in early 1995, recent takeovers have tended to be based more on paper than on cash. In any case, institu-

tions appear to be building up their cash holdings and not reinvesting such monies they have received from bids.

A recent Merrill Lynch survey found that most fund managers were planning to reduce their exposure to UK equities. This caution appears to be what is keeping the FT-SE 100 index in a narrow 3,650 to 3,850 range.

The underlying weakness of the market was shown on Thursday when, with no further bid news to act as a spur, Footsie gave in to the pressures of a weaker Wall Street and fell 20 points.

Given that the UK market, at least in terms of Footsie stocks, has underperformed its peers this year, one might assume that London should be relatively immune to Wall Street's declines. The problem is that any sign that US interest rates might be about to rise threatens the whole basis of the 1995-96 bull market.

Falling interest rates have provided the fuel for the bull



Time to cool off after the water bids

Treasuries

market, but it is arguable that the next move in US, UK and Japanese rates will be up (although the turn might not occur until 1997) and the trough in German and other European rates might not be too far away.

While growing corporate earnings can give shares some support, any rise in world interest rates makes it hard for equities to make progress, as investors discovered in 1994.

Most analysts seem to expect the UK market to continue to trade sideways during the summer but Paul Walton, UK strategist at Goldman Sachs, warns of a number of risks that might hit share prices: a communist victory in the Russian elections, a spike in commodity prices, evidence of robust economic growth or aggressive Republican plans to cut US taxes. "We wouldn't be surprised to see equity prices round the world fall by 5-10 per cent at some point," he says.

Another factor which has been making life difficult for equities is political risk. This is proving more complex than most had thought. As previously mentioned in this column, there is a school that argues that Labour could be good for gilts, on the ground that it is more likely than the Conservatives to sign up for European monetary union.

The same argument is now being applied to sterling, which reached a 15-month high against the D-Mark yesterday. The pound finally is catching up with the progress made by some of the other normally weak European currencies, such as the lira and the peseta, which had previously gained from Euro hopes.

Equities, however, are more problematic. Investors' concerns are focused on a host of micro-economic measures, such as the minimum wage and adoption of the social contract, and the prospect that Labour is far more likely to raise revenues from the corporate than the personal sector. Such worries may be behind the caution of the investment institutions.

Having said all that, however, the sluggish performance of Footsie this year might not reflect the experience of most investors. By Thursday night, the leading index had risen just 1.5 per cent since end-1995, but the Mid-250, packed with cyclical and bid candidates, was up 11.5 per cent and the All-Share 4.5 per cent.

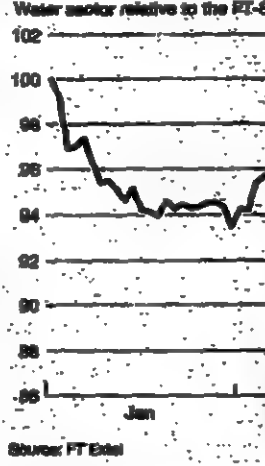
This outperformance by smaller companies could also reflect expectations of a constant at some point," he says.

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Water flows uphill

Water sector relative to the FT-SE All-Share index



Source: FT Data

Highlights of the week

	Price	Change	52-week	52-week	
	£	on week	high	low	
FT-SE 100	5747.9	+3	5987.7	5282.7	Stale old sentiment
FT-SE Mid 250	4910.0	+20.0	5088.6	3592.7	Tracking the leaders
Abacus Pyle	187	-7	211	138	Profit warning
Bent	8149	+159	822	580	Positive sentiment after results
Brit. Gas	1901	+19	217	171.6	S&C Warners recommendation
Euroland	94	+9	201	82	Debt move hopes
Inchcape	306	+17	300.4	200	Strong buy
Kalamazoo Computers	143	+36	143	80	US stock
Lucas Ind.	246	+10	246	172	Merger with Varsity
Moat Bros.	1080	+55	1080	482	Positive cash statement
Seven Trust	604	+61.4	608	538	PowerGen bid rumour
Southern Elop.	714	-36	810	571	In bid war
Southern Water	979.4	+236.4	980	529	Stale
Unilever	1200	-28	1271	1172.8	Claims by competitors
Vendome	894	+20	894	472	Speculation over future



Barry Riley

Comeback of the consumer

The economic pendulum has swung – but where will it stop?

How the economic pendulum swings. It is only 18 months since I wrote about the dramatically different experiences of the UK's "two economies". Industrial production in the previous year, 1994, had been rising at about 5 per cent while, on the other hand, real personal disposable income had been growing at less than 1 per cent.

The rare prospect could be savoured of a sound UK economic upturn led by exports and investment. But not for long. Now, it is manufacturing that has dived into near-recession, with output drifting back from a high point reached in the third quarter of last year. But the services sector continues to grow steadily, at almost 3 per cent a year, fuelled by similar growth in real personal disposable income.

We have seen this reversal of fortunes reflected in the stock market where, last year, the indices were being led up by the big blue chips. These include the big manufacturers and exporters. In 1995, however, the Footsie index of the 100 biggest UK stocks has gained only about 2 per cent. The real action has been in the medium sized and smaller companies that can be expected to benefit from a vigorous domestic services sector, a recovering house market and a pre-election

consumer boomlet. The FT-SE Small Cap index is up more like 15 per cent this year, and the Mid 250 is not far behind. What appeared to be a temporary stock adjustment problem in the manufacturing sector could have developed into something more serious. Poor demand from continental Europe, the UK's biggest export market, has been the most obvious factor with Germany, in particular, sliding into a recession. But it is worth asking if there could be a more sinister problem in UK manufacturing, with companies chasing profits at the expense of volume.

After 1992's exit from the European exchange rate mechanism, export prices were raised quite aggressively. This might be seen as a characteristic of the increasingly profit-hungry UK shareholder economy, which is vulnerable to being squeezed for business during a recession by producers in the continental stakeholder economies who are driven by volume rather than margins.

Without a cheapening currency to help them, UK manufacturers seem to flounder. They are wilting under the pressure of an increasingly competitive D-mark, which has quietly depreciated by 7 per cent against sterling during the past six months. As for consumers, who every few years double as

voters, they are the obvious beneficiaries of the electoral cycle. They were hit early in the present parliament by tax rises and spending cuts, but are now being bribed blatantly with tax reductions and cheap mortgages as the next election looms.

This time, however, the implementation of the

Manufacturers are wilting under the pressure of an appreciating pound

manoeuvre probably has been too clumsy and obvious to do the Conservative party much good. Now, the government is stuck with an embarrassing and intractable budget deficit which cannot be addressed through unpopular spending cuts this side of the election. Rapid economic growth has been essential, but Chancellor Kenneth Clarke needed a big stroke of luck on the export side to hit his overall 3 per cent economic growth target for 1995. Instead, exports have slumped.

All may not be lost, however. Interest rates have been falling steadily on the Continent, and monetary growth there has begun to

accelerate. The D-mark has been falling even faster against the dollar than against sterling – by more than 10 per cent since November. It is, therefore, reasonable to expect a house-back room in the continental economies. This could be just enough to give Clarke a much-needed helping hand.

My own view about the UK economy this year has been that while the 3 per cent Treasury target was never really on for 1996 as a whole, given the winter's slowdown, there could easily be an acceleration through the year. By the final quarter, year-on-year growth might indeed be not be far short of 3 per cent.

In fact, some City forecasters are expecting quite a boom to develop in 1997, with growth reaching 3.5 per cent or more. This would reflect a highly stimulative combination of loose fiscal and monetary policies. With the public sector borrowing requirement running at close to 200m this year, there ought to be talk of tax increases, not cuts. But, of course, they will have to wait until after the election.

As for interest rates, the Bank of England remains cowed by its misfortunes a year ago when it was misled by economic growth estimates that later were revised down sharply. It does not wish to cry wolf again. Nevertheless,

it would not be surprising to see short term interest rates edging upwards by year-end if the Bank has its way.

It would take more than that, however, to force the two economies back into close harmony. They can move apart so long as the markets do not care about the worsening imbalances in trade and public finances. An almost unlimited flow of global liquidity is available to offset the financial links between the different economic sectors. Only when the markets lose confidence do the links snap tight again. That is when the consumer economy will be reined back.

The moment probably is not very close. When economic policy is loosened, as it has been significantly over the past year, there is a benign interval of up to two or three years when the actual and potential consequences for the balance of payments and inflation are treated lightly by the markets. This year, for instance, sterling actually has been strengthening, mainly because lower monetary policies also are being followed on the Continent and in Japan. Moreover, a strong dollar always tends to drag the pound higher.

The pressures are likely to be seen first in gilt-edged rather than equities. Keep watching for the pendulum to swing, but the end is not yet nigh.

There is a tide in the affairs of men which, taken at the flood leads on to fortune.

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WORLD STOCK MARKETS

AMERICA

Leaders fall as 30-year yield tops 7%

Wall Street

Leading US stocks tumbled in midsession trading as the yield on the benchmark 30-year Treasury bond climbed above the 7 per cent level, writes Lisa Branson in New York. Technology shares, in contrast, moved higher following a strong performance from some industry leaders.

The Dow Jones Industrial Average was more than 56 points lower just after 11 am when the yield on the long bond first moved through 7 per cent, partly due to speculation that the Federal Reserve might raise interest rates this summer. The Dow's fall triggered the "uptick" rule, which restricts some program selling. Equities waxed and waned

with bonds throughout the rest of the morning. By 1 pm the long bond yield had moved down to 6.99 per cent, and the Dow was up 44.70 at 5,648.71. The Standard & Poor's 500 fell 3.27 at 688.43, while the American Stock Exchange composite added 0.43 at 608.84. Volume on the NYSE came to 203m shares.

Cyclical shares, which stand to be hurt disproportionately by an increase in interest rates, underperformed other sectors.

The Nasdaq composite managed to post a gain of 5.64 at 1,239.12, led by a \$4 increase in Intel, the world's leading manufacturer of silicon chips, and the second biggest company listed on the Nasdaq, Intel's gain followed a meeting for analysts held on Thursday in

New York and brought the company's shares to \$76. Merrill Lynch, the New York investment bank, raised its intermediate-term rating of the shares to "buy" from "neutral", but left its long term rating at "buy".

Microsoft, the biggest company on the Nasdaq in terms of market capitalisation, added \$4 at \$118.87. Other Nasdaq-traded technology issues posted strong gains including America Online, up \$2 at \$54. Applied Materials, \$14 stronger at \$37, Intel, which climbed \$2 at \$52.42, and Sun Microsystems, which rose \$2 at \$82.75.

Elsewhere, Varsity jumped \$3 or 7 per cent to \$49 on news that it would merge with Lucas Industries of the UK. Both Lucent Technologies of

the US and Nokia of Finland moved higher on rumours that Lucent might make a takeover bid for, or form an alliance with, Nokia. Lucent was up \$14 or 4 per cent at \$38 and American depositary shares of Nokia added \$2 at \$44.72.

Canada

Toronto was mixed in spite of the fall on Wall Street, with strong conglomerates and gold shares giving it a foundation. The TSE 300 composite was up 4.53 at 5,229.91 at midday, and the precious metals index was running over a percentage point higher in midsession.

Volume was 50.5m shares. In golds Siskman led, up C\$0.015 at C\$80.135 in 1.7m shares. But his bigger brethren moved a lot more turnover: TVX Gold

traded in 932,925 shares as it rose 25 cents to C\$12.45, and Placer Dome in 618,196 as it put on 50 cents to C\$40.

Latin America

MEXICO CITY moved slightly lower in line with Wall Street. By midsession the IPC index fell off 20.34 at 3,240.52. In SAC PATILO the equity market was resisting the US trend, with the Bovespa index up 906.20 at 57,184 by noon. BUENOS AIRES was weaker as investors searched for direction amid a lack of domestic corporate news. The Merval index was off 5.62 at 598.17 by midday. Profit-taking following recent strength continued in CARACAS where the IBC index was down 34.38 at 4,432.50 by late afternoon.

Amsterdam's bull run may be about to slow

David Brown on a surprising Dutch performance

At the start of this year, Amsterdam's investment community was convinced that the bourse was set, at best, to deliver an unremarkable performance. In late December, ABN-Amro Hoare Government, the Dutch bank's stock-broker subsidiary, said that the AEX index was set for an anaemic shuffle through the year. With remarkable luck, it might move from its December position in the mid-480's to reach the 515 mark by mid-year, they forecast. The market punched through 515 just eight weeks later.

Contrary to all published expectations, the Amsterdam bourse has since been stampeding from one all-time high to the next. By the close of business on Friday, the AEX had reached 570.09, a gain on the year to date of 19.5 per cent. Nevertheless, some analysts are suggesting that the bull may finally have lost its breath.

It has certainly had a good run. Among the strongest performers so far have been technology sector stocks, where average prices rose by almost 40 per cent in the first quarter. Indeed, Baan, an information technology group, has emerged with a higher market total capitalisation (F15.5bn) than that of more traditional blue-chip listings like KLM (F15.5bn) and DSM (F15.5bn).

Shares in food retailing, year-on-year, have climbed by over 61 per cent, while insurance companies are ahead by over 53 per cent. The average P/E ratio, which climbed gradually from 8 in 1995 to 10 last year, has powered ahead to over 13 in the five months of 1996. The market as a whole, according to a study published last week by CS First Boston, has by far outperformed France (up 11.7 per cent) and Germany (up 16.5 per cent), and has expanded at three times the overall European average over the past year.

Volume has also soared, up by 120 per cent during the first quarter, compared with the same 1995 period. Several factors have driven the market. To begin with, companies are generally well-managed and have high-quality

assets. However, thickly swaddled in both formal and informal anti-takeover defences, they were undervalued in relation to competitors abroad. After a decade of deep restructuring, and amid a quickening hunt for shareholder value, the smaller and medium-sized groups in particular, are in strong position to generate better returns.

"Dutch industry has taken advantage of low inflation to reshape its balance sheet, strip out assets with low returns, and buy into money-spinning fields," says Mr Gerard Sirks of Deutsche Morgan Grenfell.

The return on capital employed is substantially higher than in the surrounding countries. Meanwhile, a good deal of customarily risk-averse Dutch institutional liquidity has been launched a strategic migration away from traditional fixed-income investments towards stock. Mr Richard Davidson, Morgan Stanley's European strategist, notes that institutional investors and especially pension funds are increasing, in some cases planning to double, their equity holdings.

Then there are the economic fundamentals, with GDP growth, consumer confidence, and spending still outpacing that of most core European countries. The relative strength of the dollar has also been a spur to growth, since almost half of Dutch earnings are dollar-denominated. Even stripping away the effect of dollar-priced

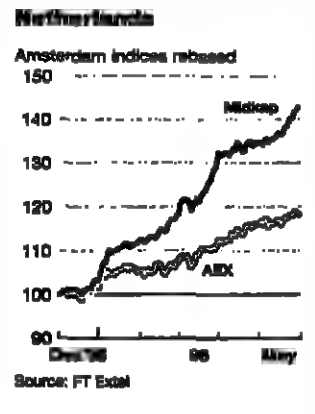
oil on Royal Dutch, a number of companies like Ahold in retailing and Wolters Kluwer in publishing have extensive US activities. Their earnings are thus powerfully sensitive to a rise in the value of the dollar. For all its brute force, Amsterdam's performance has also been one of intriguing nuance. The market is dominated by the top 10 international, like Philips, Unilever, and Royal Dutch, which account for 55 per cent of total capitalisation. Yet some of the strongest recent growth has come among the smaller and medium-sized companies.

The new Midcap Index, grouping 25 such companies, has climbed from 574.62 at the end of 1995 to the mid 790's. There are also extremes within individual sectors. For example, although the drinks industry as a whole has moved ahead over the past 12 months, Heineken has risen 72 per cent while Bols Wessanen has lost 9 per cent. The food retailer, Ahold, is up 73 per cent, Unilever has gained 17 per cent, and in high technology, ASM Lithography is up 58 per cent and Philips down 4 per cent.

The popularity of small and medium-sized companies and the extraordinary rise of the Midcap Index may be one indication that the bull market has run its course.

Kempson & Co analysts believe that slower than expected profits growth, as well as a spate of earnings downgrades, most recently KPN BT in forest products and Bols Wessanen in drinks, have already been discounted. Nevertheless they suggest that a degree of caution might now be in order, not least because of pressure on interest rates and the possibility of a correction on Wall Street. Kempson & Co has a year-end target for the AEX of 568, Morgan Stanley is looking at a target of 570, and Mr Sirks's view is that the AEX may well slip down to 530-540 by the year end. There is a growing interest in cyclical stocks.

But having defied the sceptics to date, Amsterdam may still have a few selective surprises in store.



Source: FT Index

EUROPE

Domestic investors focus on M-Dax in May

Another panic attack for US treasuries, the Dow and the dollar made its impact on closing bourses, FRANKFURT ending with the Dax index 11.97 lower at 2,523.81 after a session close of 2,542.80.

Turnover fell from DM7.2bn to DM6.5bn. At the session close, said Eckhardt Frahm at Merck Finck & Dischinger, the Dax 30 was showing a 1.4 per cent gain on the month compared with 5 per cent for the M-Dax, which covers the next 70 shares in the Dax 100 index. The rise of the medium-capitalisation stocks, he said, was in distinct contrast with performance in the first five months as a whole, when the 30 was up 12.8, and the M-Dax by 7.8 per cent.

This, he said, reflected the influence of domestic investors, keen to turn foreign institutions to data on names like Wella, Deka Bank and Fresenius. There was another sea change within the 30 itself where, in May alone, the best performances came from consumer and technology stocks, with Kaufland and Henkel up 12.7 and 9.3 per cent, followed by SAP parts and Veba with gains of 5.0, and 4.9 per cent respectively.

PARIS was pressured by the expiry of May futures contracts

THE WEEK'S CHANGES	
	% Change
Helsinki	+1.8
Amsterdam	+1
Milan	+0.9
Paris	+0.8
Frankfurt	-1
Stockholm	-1.0
Zurich	-0.4

as well as by Wall Street and the CAC-40 index lost much of an early gain as it closed up 1.62 at 2,110.06.

The automotive sector gained following the merger between Lucas of the UK and Vario of the US, on expectations that further consolidation in the sector was imminent. Valeo, which has filed merger rumours for some time, added FFrs to FFrs260.50, and Bertrand Peugeot advanced FFrs70 to FFrs188.20.

There was speculation that Fauri might be about to announce an alliance with a Canadian supplier, Magna International.

Credit Commercial de France put on FFrs3.20 to FFrs249 as rumours persisted that HSBC, the Hong Kong banking group, might be preparing to launch a takeover bid.

Since the end of last week CCP's stock has gained 5.5 per

FT-SE Actuaries Share Indices										
May 24		THE EUROPEAN SERIES								
Index changes		Open	10.30	11.00	12.00	13.00	14.00	15.00	Closes	%
FT-SE Eurstock 100		1086.53	1067.85	1067.33	1068.05	1067.70	1068.06	1067.41	1067.08	
FT-SE Eurstock 200		1731.36	1751.86	1731.60	1733.70	1732.99	1732.05	1732.94	1734.06	
		May 30	May 31	May 26	May 27	May 24	May 24	May 23		
FT-SE Eurstock 100		1079.37	1092.00	1069.17	1069.86	1069.78	1069.78	1069.78		
FT-SE Eurstock 200		1726.50	1732.47	1734.30	1732.91	1732.91	1732.91	1726.13		

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from the London Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Tailsman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the three previous days is given with the relevant date.

† Bargains at special prices. ‡ Bargains done the previous day.

British Funds, etc

Trustee 15.4% Bid 2000 - 121.15

Corporation and County

Bank of 11.5% Bid 2000 - 121.15

UK Public Boards

Chrysler Ltd 4% Bid 2000 - 121.15

Scottish Home Sec 12% Bid 2000 - 121.15

Foreign Stocks, Bonds, etc

(coupons payable in London)

Hungary Republic 10% Bid 2000 - 121.15

Poland 10% Bid 2000 - 121.15

Albania National Treasury 10% Bid 2000 - 121.15

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Amsterdam	sun	20	Malorca	sun	29	Reykjavik	windy	10	
Barcelona	rain	22	Malta	sun	29	Rio	cloudy	25	
Berlin	sun	27	Manchester	showers	16	Rome	sun	28	
Bombay	show	19	Minsk	cloudy	24	S. Paolo	sun	27	
Bombay	rain	19	Melbourne	cloudy	18	Singapore	fair	20	
Bombay	rain	19	Mexico City	cloudy	24	Singapore	cloudy	32	
Canton	cloudy	29	Miami	sun	31	Stockholm	rain	21	
Canton	sun	31	Montreal	sun	30	Sydney	rain	20	
Canton	sun	31	Moscow	sun	21	Taipei	sun	26	
Canton	cloudy	32	Moscow	sun	21	Taipei	sun	26	
Canton	rain	14	Munich	thund.	24	Taipei	fair	26	
Canton	sun	28	Nairobi	sun	25	Tokyo	fair	24	
Canton	sun	28	Naples	sun	31	Toronto	fair	24	
Canton	sun	28	Nassau	sun	26	Vancouver	fair	24	
Canton	sun	28	New York	sun	25	Vancouver	sun	29	
Canton	fair	21	Nice	sun	25	Vancouver	sun	29	
Canton	sun	28	Nicosia	sun	28	Washington	sun	27	
Canton	sun	28	Oslo	show	15	Washington	sun	27	
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